ALAGAPPA UNIVERSITY

(Accredited with 'A+' Grade by NAAC)
Karaikudi - 630 003. TAMILNADU

Vallal Dr.RM.Alagappa Chettiar

DIRECTORATE OF DISTANCE EDUCATION

69

M.B.A.
(Education Management)

PAPER - 4.3
MARKETING OF EDUCATION SERVICES

ALAGAPPA UNIVERSITY

(Accredited with 'A+' Grade by NAAC)
Karaikudi - 630 003. TAMILNADU

DIRECTORATE OF DISTANCE EDUCATION

MBA (Education Management)

PAPER 4.3
MARKETING OF EDUCATION SERVICES

SL - 108 : 1

AU/DDE/DE10/Printing Order 49/2018 Date : 20.2.2018 Copies : 250
Printed at Alamelu Printers, Madurai - 1. Cell : 90470 24942

33943 - MARKETING OF EDUCATION SERVICES

Objectives:

- To state the meaning of service marketing.
- To explain the life cycle concept in education ventures.
- To analysis the importance of Students supports services.

BLOCK I: BASICS OF MARKETING OF EDUCATION SERVICES

UNIT 1	Services Marketing: Concept – Significance – Salient features – Service Mission
UNIT 2	The behaviour profile of the learners – Segmenting learners market
UNIT 3	Services Mix: Product, Price, Place, Promotion, People, Process, Physical Evidence.
UNIT 4	Product Mix: Education product planning and development – Innovative education – Modification – Diversification and dropping

BLOCK II: PLACE MIX AND DELIVERY

UNIT 5	Life Cycle concept in education ventures.
UNIT 6	Price Mix: Fee structure in Education – Objectives and methods – Regulatory aspects
UNIT 7	Place Mix: Service delivery – Methods of distribution – Franchising – Off-Campus arrangement – Logistics management
UNIT 8	Role of IT in dealing with barrier of distance.

BLOCK III: PEOPLE IN EDUCATION SERVICE

UNIT 9	Promotion and Communication Mix: Education promotional strategies – Advertisement and publicity – Sales promotion
UNIT 10	Personal selling – Word of mouth.
UNIT 11	People in Education Service – Internal marketing – Processes

BLOCK IV: LEARNER RELATIONSHIP MARKETING

UNIT 12 Student support services – Physical evidence in education service.

UNIT 13 Service quality – Service quality dimensions – Developing service quality – Quality assurance in education – Bench marking

UNIT 14 Learner relationship marketing – Quality assurance in teaching – Internationalization and Globalization of education marketing – Intellectual Property Rights in education service.

REFERENCE:

1. Jha S.M, "Services Marketing", Himalaya Publishing, Mumbai, 1998.
2. Adrian Payne, "The Essence of Services Marketing", PHI, New Delhi, 2000.
3. Helen Woodruffe, "Services Marketing", Macmillan, Dehli, 1995.

PAPER 2.4: MARKETING OF EDUCATION SERVICES

UNIT-1

Services Marketing: Concept – Significance – Salient features – Service Mission – The behaviour profile of the learners – Segmenting learners market – Services Mix: Product, Price, Place, Promotion, People, Process, Physical Evidence.

UNIT-2

Product Mix: Education product planning and development – Innovative education – Modification – Diversification and dropping – Life Cycle concept in education ventures.

UNIT-3

Price Mix: Fee structure in Education – Objectives and methods – Regulatory aspects – Place Mix: Service delivery – Methods of distribution – Franchising – Off-Campus arrangement – Logistics management – Role of IT in dealing with barrier of distance.

UNIT-4

Promotion and Communication Mix: Education promotional strategies – Advertisement and publicity – Sales promotion – Personal selling – Word of mouth.

UNIT-5

People in Education Service – Internal marketing – Processes – Student support services – Physical evidence in education service.

UNIT-6

Service quality – Service quality dimensions – Developing servie quality – Quality assurance ineducation – Bench marking – Learner relationship marketing – Quality assurance in teaching – Internationalisation and Globalisation of education marketing – Intellectual Property Rights in education service.

Books for Reference:

1. Jha S.M, "Services Marketing", Himalaya Publishing, Mumbai, 1998.
2. Adrian Payne, "The Essence of Services Marketing", PHI, New Delhi, 2000.
3. Helen Woodruffe, "Services Marketing", Macmillan, Dehli, 1995.

Course Material Prepared by –

Dr. S. Sudalaimuthu
Professor of Corporate Secretaryship &
Director, Directorate of Distance Education
Alagappa University, Karaikudi.

UNIT-I

INTRODUCTION TO SERVICES MARKETING

Services marketing concepts and strategies have developed in response to the tremendous growth of service industries resulting in their increased importance to world economies. Almost all of the absolute growth in numbers of jobs and the fastest growth rates in job information are in service industries. One study reported the "25 hottest careers" for 1993 as being in one of the five major segments of information technology, education and training, health care, management and small (service) business opportunities — all services.

Another indicator of the economic importance of services is that trade in services is growing worldwide. In fact, while the U.S. balance of trade in goods remains in the red, in 1992 there was a $59 billion trade surplus in services. World class providers of services like American Express, McDonalds, and Walt Disney, together with many small service companies, are exporting information, knowledge, creativity and technology that the world badly needs.

Needless to mention, service sector has a tremendous growth in India too. The tremendous growth and economic contributions of the service sector have drawn increasing attention to the issues and problems of service sector industries.

DEFINITION OF SERVICES

The American Marketing Association defines services as activities, benefits or satisfactions which are offered for sale and are provided with the sale of goods. This definition is considered to be too broad as products also offer benefits and satisfactions to customers. So there were attempts to differentiate physical products from services by defining characteristics which are present in services but are not found in case of physical products.

Kotler defines a service as "any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product". Adrain Payne defines it as "an activity which has some intangibility associated with it, which involves some interaction with customers or with property with it, which involves some interaction with customers or with property in their

possession, and does not result in a transfer of ownership. A change in condition may occur and production of the service may or may not be closely associated with a physical product".

A more mundane definition in the Indian context is provided by section 2(r) of the Monopolies and Restrictive Trade Practices Act, 1969. Under the said statute a "service means service which is made available to potential users and includes the provision of facilities in connection with banking, financing, insurance, chit fund, real estate, transport, processing, supply of electrical or other energy, board or lodging or both, entertainment, amusement or the purveying of news or other information . . . .".

Stanton defines services and identifies factors which distinguish products from services which are accepted by most of the commentators. According to Stanton, "services are those separately identifiable, essentially intangible activities that provide want-satisfaction, and that are not necessarily tied to the sale of a product or another service. To produce a service may or may not require the use of tangible goods. However, when such use is required, there is no transfer of the title (Permanent ownership) to these tangible goods".

Stanton emphasises four characteristics which distinguish services from products. They are intangibility, inseparability, heterogenity and perishability and fluctuating demand. Kotler also emphasises intangibility, inseparability, variability and perishability.

Put in the most simple terms, 'services are deeds, processes and performances'. The core offerings of hospitals, hotels, banks and utilities comprise primary deeds and actions performed for customers. Services are produced not only by service business such as those just described but are also integral to the offerings of many manufactured goods procedures. For example, car manufacturers offer warranties and repair services for their cars; Computer manufacturers offer warranties, maintenance contracts and training. All of these services are examples of deeds, processes and performances.

CHARACTERISTICS OF SERVICES

Stanton points out that the special nature of services stems from several distinctive characteristics and they are:

1) Intangibility,
2) Inseparability,
3) Heterogenity (Kotler terms this as variability), and
4) Perishability and fluctuating demand.

These four have been identified by Kotler also as the major characteristics greatly affecting the design of marketing programmes for services.

INTANGIBILITY

Services are essentially intangible. Because services are performances or actions rather than objects, they cannot be seen, felt, tasted, or touched in the same manner that we can sense tangible goods. For example, education services are actions performed by providers and directed toward learners. These services cannot actually be seen or touched by the learner, although he may be able to see and touch certain tangible components of the service (e.g. black board, chalk etc).

Marketing Implications

Intangibility presents several marketing challenges: Services cannot be stored, and therefore fluctuations in demand are often difficult to manage. For example, there is tremendous demand for resort accommodations in Simla / Ooty in May, but little demand in December. Yet resort owners have the same number of rooms to sell year-round. Services cannot be patented legally, and new service concepts can therefore easily be copied by competitors. Services cannot be readily displayed or easily communicated to customers, so quality may be difficult for consumers to assess.

INSEPARABILITY

Services are created and consumed simultaneously and generally they cannot be separated from the provider of the service. Thus the service provider — customer interaction is a special feature of services marketing.

Unlike the tangible goods, services cannot be distributed using conventional channels. Inseparability makes direct sales as the only possible channel of distribution and thus delimits the markets for the seller's services. This characteristic also limits the scale of operation of the service provider. For example, a teacher can give lecture to limited number of students only.

This characteristic also emphasises the importance of the quality of provider — client interaction in services. This poses another management challenge to the service marketer. While a consumer's satisfaction depends on the functional aspects in the purchase of goods, in the case of services the above mentioned interaction plays an important role in determining the quality of services and customer satisfaction. For example, an airline company may provide excellent flight service, but a discourteous onboard staff may keep off the customer permanently from that company.

Marketing Implications

Because services often are produced and consumed at the same time, mass production is difficult if not impossible. The quality of service and customer satisfaction will be highly dependent on what happens in "real time", including actions of employees and the interactions between employees and customers.

HETEROGENITY

This characteristic is referred to as variability by Kotler. Services cannot be standardised. They are highly variable depending upon the provider and the time and place where they are provided. A service provided on a particular occasion is somewhat different from the same service provided on other occasions. Also the standard of quality perceived by different consumers may differ according to the order of preference given by them to the various attribute of service quality. For example, the treatments given by a hospital to different

persons on different occasion cannot be of the same quality. Consumers of services are aware of this variability and by their interaction with other consumers they also get influenced or influence others in the selection of service provider.

Marketing Implications

Because services are heterogeneous across time, organizations, and people, ensuring consistent service quality is a difficult task. Quality actually depends on many factors that cannot be fully controlled by the service supplier, such as the ability of the consumer to articulate his or her needs, the ability and willingness of personnel to satisfy those needs, the presence (or absence) of other customers, and the level of demand for the service.

PERISHABILITY AND FLUCTUATING DEMAND

Perishability refers to the fact that services cannot be saved, stored, resold or returned. A vacant seat in a classroom not used cannot be reclaimed and used or resold at a later time.

Marketing Implications

A primary issue that marketers face in relation to service perishability is the inability to store. Demand forecasting and creative planning for capacity utilization are therefore important and challenging decision areas. The fact that services cannot typically be returned or resold also implies a need for strong recovery strategies when things do go wrong.

The process of socio-economic transformation is sizeably influenced by the instrumentality of human resources. The human capital formation thus occupies a place of outstanding significance. The educational institutions energise the process of human capital formation by producing quality human resources supposed to be productive. The rationale behind applying the principles of marketing in the education services is securing to the users the best services and at the same time making the educational institutions financially sound at enrich the inputs used in the process. The principles of social marketing make it essential that the educational institutions are given freedom to generate their own funds for improving the quality of educational aid. This necessitates a

fundamental change in the policy decisions. The formulation of a sound marketing mix is found essential since this would help educational institutions in increasing their strength and making the services nationally and internationally competitive. It is high time that the educational institutions realise gravity of the situation and apply the principles of marketing. It is need of the hour that the policy makers and intellects realise gravity of the situation and formulate such a policy that makes available quality education to the masses.

SERVICE MISSION

The development of an effective mission statement is especially important in services because of the need for focus and differentiation in service sector. Given the intangibility of services and the significance of people in service operations, organisations need to develop a clear statement of purpose or 'mission' to ensure that the appropriate attention is directed at the key elements of their strategy.

"A mission is an enduring statement of purpose that provides a clear vision of the organisation's current and future business activities, in product, service and market terms, its values and beliefs, and its points of differentiation from competitors. A mission helps determine the relationships in each of the key markets with which the organisation interacts, and provides a sense of direction and purpose which leads to better independent decision-making at all levels of the organisation".

Such a mission statement should explicitly reflect the underlying beliefs, values and aspirations, and strategies of the organisation.

Criteria of a Good Mission Statement:

- Organisation's mission statement should be defined clearly.
- The audience for a mission should be carefully considered.
- The strategic direction and scope of the organisation should be understood clearly.
- A mission statement should be unique.
- A mission statement should be market oriented.

David has identified nine components of mission statements. These include the following:

1. *Customers* –who are they?
2. *Products or Services* – what are the firm's major products or services?
3. *Location* – where does the firm compete?
4. *Technology* – what is the firm's basic technology?
5. *Concern for Survival* – what are the firm's economic objectives?
6. *Philosophy* – what are the basic beliefs, values, aspirations and philosophical priorities of the firm?
7. *Self Concept* –what are the firm's major strengths and competitive advantages?
8. *Concern for Public Image* – what are the firm's public responsibilities and what image is desired?
9. *Concern for Employees* – what is the firm's attitude towards its employees?

EXAMPLE OF EDUCATION INSTITUTION'S MISSION STATEMENT

OUR MISSION

To offer Quality, Innovative, Job oriented Academic Programmes to All Segments – Women Dropouts, People in remote areas and those who wish to upgrade Knowledge and Skill in Cost-effective way.

A good mission should do the following:

- Define the purpose of the organisation.

- Identify relevant services and markets.
- Assist in reviewing current and future strategic options.
- Create a balance between narrowness and breadth.
- Differentiate the organisation from others in its sector.
- Be specific enough to have an impact on the behaviour of the organisation.
- Be realistic, attainable and flexible.
- Focus more on customer needs and their satisfaction than on the characteristics of the services themselves.
- Reflect the core competencies of the organisation.
- Permit close integration with corporate objectives, so that success in achieving the mission can be measured.
- Be clearly understood and widely communicated through the organisation.

The nine components of the mission outlined earlier together with the list above, can act as a check-list when developing a mission. Once a satisfactory mission has been developed, it should be communicated within and where appropriate outside the organisation.

Andrew Campbell and his colleagues have identified the following four elements as important in a mission:

- *Purpose* – why the company exists
- *Strategy* – the competitive position and distinctive competence.
- *Values* – what the company believes in.
- *Standards and Behaviour* – the policies and behaviour patterns that underpin the distinctive competence and the value system.

GUIDING PRINCIPLES TO CREATE A LONG-TERM SENSE OF MISSION

- Creating a sense of mission takes a long time.
- True consensus is necessary within the top team.
- The top team must have a true belief in the values.
- The top team should follow the values.
- Continuity of top team is required.
- Statement of mission should reflect the organisation's personality and leadership.
- Strategy and values should be formulated together.
- Management should focus on the link between the behaviour and values.

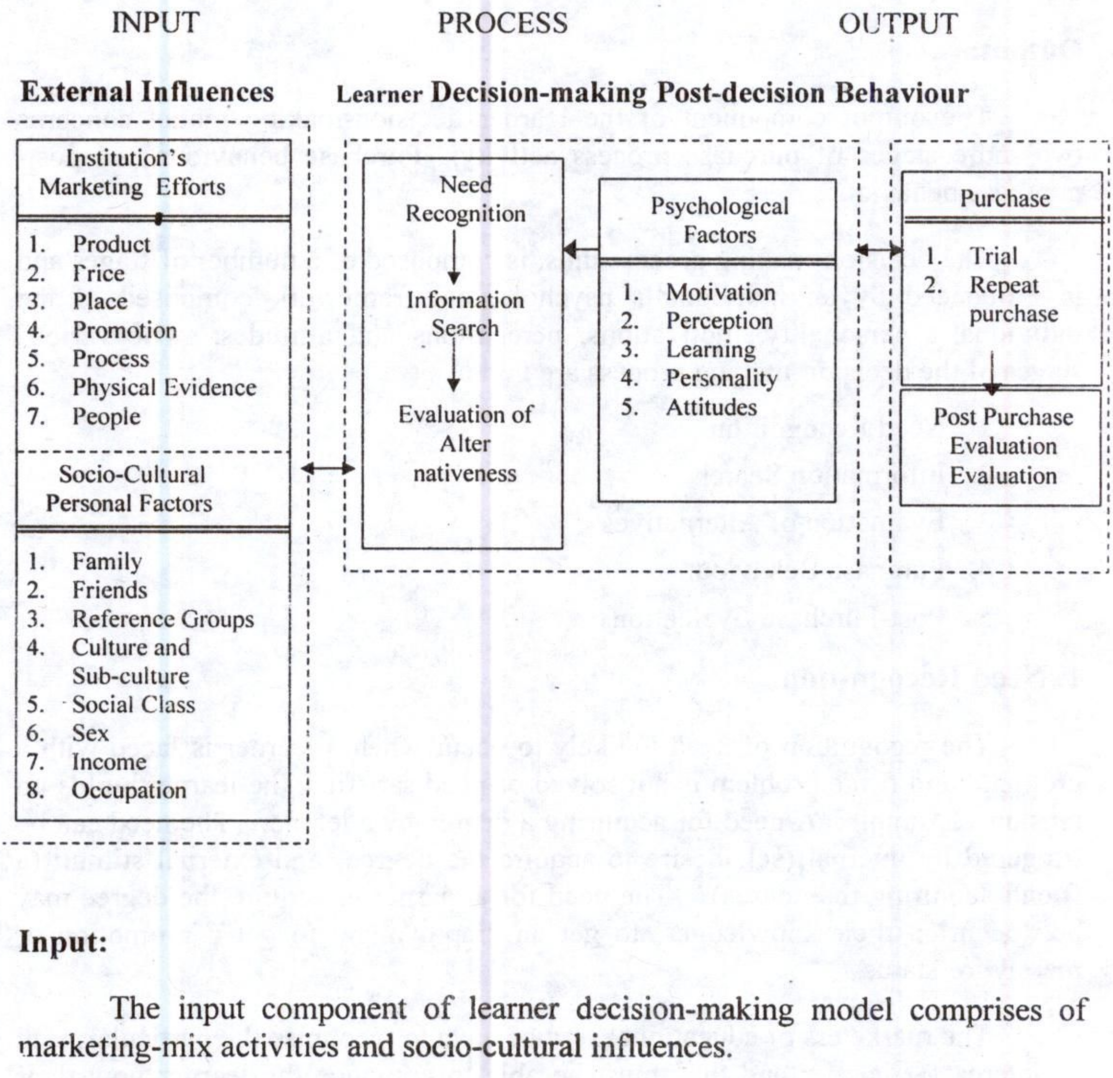
It is important to have a formal written codification of the principles and ambition to help guide staff. Company should make employee focus a high priority in their mission statements.

LEARNER DECISION-MAKING PROCESS

To understand learners' behaviour, first it is essential to understand their decision-making process.

A simple model of learner decision-making given in the figure reflects the notion of the cognitive or problem-solving learner. This model has three components: Input, Process and Output.

A Model of Learner Decision-Making



Input:

The input component of learner decision-making model comprises of marketing-mix activities and socio-cultural influences.

Process:

The process component of model is concerned with 'how' learner make decisions. This involves understanding of the influence of psychological factors on learner behaviour. The process component of a learner decision-making

model consists of three stages: Need recognition, information search and evaluation of alternatives.

Output:

The output component of the learner decision-making model concerns two more stages of purchase process activity: Purchase behaviour and post-purchase behaviour.

The decision-making process thus, is composed of a number of stages and is influenced by an individual's psychological framework composed of the individual's personality, motivations, perceptions and attitudes. The various stages of the decision-making process are :

1. Need Recognition
2. Information Search
3. Evaluation of Alternatives
4. Purchase Behaviour
5. Post-Purchase Evaluation

1. Need Recognition

The recognition of need is likely to occur when a learner is faced with a problem, and if the problem is not solved or need satisfied, the learner builds up tension. Example: A need for acquiring a degree by a learner. The need can be triggered by internal (self desire to acquire the degree) and external stimuli (a friend acquiring the degree). The need for a learner to acquire the degree may be, to enrich their knowledge, to get an employment, to get a promotion or merely for status.

The marketers of educational service have to recognise the particular need or interest of learner and they must be able to convince the learner how their education programme can satisfy his specific need.

2. Information Search

The learner will search for required information about the education institutions to make a right choice of the institution. How much search he

undertakes depends upon the strength of his drive, the amount of information he initially has, the ease of obtaining additional information, the value he places on additional information and the satisfaction he gets from search.

The following are the sources of learner information:

Personal Sources	:	Family, friends, neighbours, past experience
Commercial Sources	:	Advertising, academic counsellers, information centers, displays

As for the sources of the information used by the learner, the marketer should identify them carefully and evaluate their respective importance as source of information. The educational marketer should also ensure that he provides complete, adequate and factual information about his services to the potential learners.

3. Evaluation of Alternatives

When evaluating potential alternatives, learners tend to use two types of information (i) a list of education institutions from which they plan to get their degree (the evoke set) and (ii) the criteria they will use to evaluate each institution.

The criteria used by the learners in evaluating the institutions are usually expressed in terms of service attributes that are important to them.

Attributes of Educational Service	:	Reputation of the institution, Course Curriculum, Competence of Faculty, Infrastructure facilities, Results

Learners will pay the most attention to those attributes that are concerned with their needs.

4. Purchase Behaviour

After evaluating the service attributes of the different education institutions, the learner decides which institution to choose. He also decides the course to be joined, time of joining and payment method decision.

5. Post-Purchase Evaluation

The learner's satisfaction or dissatisfaction with the service will influence subsequent behaviour. There are three possible outcomes of post-purchase evaluations by learners in the light of their experience:

- that the actual performance matches the standard leading to neutral feeling;
- that the performance exceeds the standard leading to positive disconfirmation, i.e. satisfaction; and
- that the performance is below the standard, causing negative disconfirmation, i.e. dissatisfaction.

If the service lives upto the expectations of the learners, they will probably continue their education in the same institution. If the performance of the institution is disappointing, they will search for more suitable alternative institution. It should be noted that whether satisfied or dissatisfied with the service, the learners will pass on their opinion to others, which will have an impact on marketing of their service in future.

LEARNER BEHAVIOUR

In education marketing 'Learner' is the fulcrum; he is the life blood; he is very purpose of the education service and hence the education institutions have to listen learners' voices . . . . . understand their concerns. They have to be closely followed - what they needs . . . . when, where and how. The new business philosophy is that the economic and social justification of an institutions' existence lies in satisfaction of learner needs. Charles G Mortimer has rightly pointed out that, 'instead of trying what is easiest for us to make, we must find out much more about what the customer is willing to buy . . . . . we must apply our creativeness more intelligently to people and their wants and needs rather than to services".

To achieve learner satisfaction, the marketer should know, understand learner behaviour - their characteristics, needs, attitudes and so on. But, the study of learner behaviour is not an easy task as it involves complex system of

interaction of various factors namely sociological, cultural, economical and psychological.

FACTORS INFLUENCING LEARNER BEHAVIOUR

Learners are stimulated by two types of stimuli - internal and environmental. The internal influences comprise of motivation, perception, learning and attitudes - all concepts drawn from the field of psychology. The environmental influences include cultural, social and economical. All these influences interact in a highly complex ways affecting the learner's behaviour.

Cultural Factors

Culture is the most fundamental determinant of a person's wants and behaviour. It encompasses set of values, ideas, customs, traditions and any other capabilities and habits acquired by an individual as a member of the society. Each culture contains smaller groups of subcultures such as national culture, religious culture and social class culture that provides more specific identification and socialisation for its members. A subculture is a distinct cultural group existing as an identifiable segment within a larger culture. The members of a subculture tend to adhere to many of the cultural mores of the overall society, yet they also profess beliefs, values, and customs which set them apart. An understanding of subculture is important to marketing managers because the members of each subculture tend to show different purchase behaviour patterns.

In the same way one's religious affiliation may influence one's market behaviour. The religious groups such as Hindus, Christians and Muslims possess distinct cultural preferences.

Social class may be thought of as a rather permanent and homogenous group of individuals who have similar behaviour, interests and life-styles. Usually social classes are divided into six – upper-upper, lower-upper, upper-middle, lower-middle, upper-lower and lower-lower.

Each culture evolves unique pattern of social conduct. The prudent marketer has to analyse these patterns to understand their behaviour to evolve a suitable marketing programme.

As far as marketing of education service is concerned, the religious culture has considerable impact in choosing educational institutions. It is but natural that the learner belonging to particular religion may prefer to choose the educational institution managed by the same religion. Again, social class has also a considerable impact. For instance, the learners belonging to economically upper-upper class prefer to choose highly reputed educational institutions, irrespective of the quantum of fees charged by them. Similarly, majority of socially forward class of people prefer to choose certain highly professional courses such as Chartered Accountancy, Cost Accountancy. Again, socially and economically weaker section of the people prefer to choose education institutions which provide them financial support and which charge less fee.

Sociological Factors

The sociological factors are another group of factors that affect the behaviour of the learners. These include reference groups, family and the role and status of the learners. The reference group are those groups that have a direct or indirect influence on the learner's attitudes, opinions and values. These groups include peer group, friends and opinion leaders. The learners behaviour for choosing a specific education institution or sometimes a specific course of study could be influenced by his friend, colleague or neighbours. Similarly, teachers are also acting as reference groups to influence the learners in choosing a particular institution or a specific course of study.

A more direct influence on learner behaviour is one's family members namely, spouse and children. The person will have certain position in his family, that is called a status and has a duty assigned - that is role and this status and role determine learner behaviour. While choosing an institution or a specific course of study, family members have a tremendous role in influencing the learner's behaviour. For instance, while admitting son/daughter in a professional course, parents influence them in choosing an academic course, branch of study and also the institution. Very often, it is a joint decision-making of parents and their ward.

The marketers, therefore, aim their marketing efforts to reach reference groups and through them reach the potential learners. The marketer needs to determine which member of a family has the greater influence on the purchase

of a particular service and should try to reach that particular individual to market their service.

Personal Characteristics

An individual's buying behaviour is also influenced by his personal characteristics such as his age and life cycle stage, occupation, income and personality. Similarly, behaviour and need differs depending on the nature of occupation of the buyers.

Basically it is the level of income, its distribution and the consequent purchasing power that determine one's buying behaviour. Out of the one's total income, a part may be saved and the remaining part is available for spending. Again out of this, a sizable part has to be reserved for meeting essential expenses and it is only the balance — the individual has the discretion to spend. An intelligent marketer has to watch the income — saving trend of his learner and basing on that evolve a marketing programme.

The behaviour of the learner in choosing the educational institution, the academic programme, the mode of education are all influenced by the above mentioned personal factors. For instance, an individual who is already employed will prefer to choose an academic programme which is related to his job and may prefer to do education through distance mode. Similarly, the fees paying capacity of the learners largely influence the selection of the educational institution. In the same way while youngsters prefer to undergo education through regular mode, aged people prefer distance mode. The sex of the learner also influences, sometimes, the selection of course of study. For instance, only male learners prefer to take up marine engineering related programmes and aeronautical studies. Whereas, female learners prefer to choose those academic programmes which are by and large easy and comfortable to them. Even here, the influence of their parents plays a vital role in deciding the course of study for their daughter.

Psychological Factors

Psychological characteristics play the largest and most enduring role in influencing the learner behaviour. A person's choices are influenced by four major psychological processes – motivation, perception, learning and attitudes.

Motivation

Motivation is the 'why' of behaviour. According to one writer, "motivation refers to the drives, urges, wishes or desires which initiate the sequence of the events known as behaviour". Motivation may be conscious or subconscious - a force that underlies a behaviour. It is the complex network of psychological and physiological mechanism. Motives can be instinctive or learned; conscious or unconscious, rational or irrational.

Maslow has classified human needs into five types in the order of importance - basic, safety, social, esteem and self actualisation needs. Normally the individual starts with his basic need and if this is fulfilled, he proceeds to fulfill the next higher need. Regarding marketing of education service is concerned, to start with an individual requires basic education to satisfy his basic need. Then to ensure safety of his employment he may require additional qualification. Sometimes, the social need also makes the individual to acquire higher qualifications. It is also a fact that a few individuals like to get the additional qualifications for the purpose of status. The higher level of need is the self-actualisation need, where an individual would like to acquire the highest qualification in his specialised area.

It is important for the marketer to understand the motives that lead learners in choosing a particular academic programme and he must be able to explain the prospective learners how best in his institution the variety of academic programmes can satisfy his particular need.

Perception

Perception is the process by which individuals become aware of (through anv of the five senses) and give meaning to their environment.

Several technical factors affect the way an object is perceived. These factors do not refer to the product's technology itself, but rather to how the individual sees the object.

A second important factor is the individual's mental readiness to perceive a service. Research has shown that learners tend to become "fixed" on a mental image. For example, a learner may like to continue his or her education in the

same institution, even after he knows that a better service is available with another institution. Mental readiness is also affected by the learner's level of attention. Generally speaking, people have a limited attention span. That is, human beings only comprehend a limited number of objects or messages in a given amount of time. Also, people's attention tends to shift quickly from one object to another. These aspects of perception suggest the importance of keeping advertisements simple and brief.

Past experience is a fourth factor influencing perception. To illustrate, a person may perceive a degree or a diploma from a particular institution simply because of past favourable experiences with the institution. Finally, the mood of the individual is an important determinant of perception; a person who is unhappy or depressed may find it difficult to see the positive side of a service.

Hence ultimately the behaviour of the learners in choosing a education service largely depends upon how he perceives about the service offered by that particular educational institution

Learning

Learning is the changes that occur in an individual's behaviour arising from experience. Learning is produced through the interplay of drives, stimuli, cues, responses and reinforcement. A drive is a strong internal stimulus impelling action and it becomes a motive when it is directed toward a particular drive-reducing stimulus object. Cues are minor stimuli that determine when, where and how the person responds. These cues can influence response, and if the response if positive, the learner learns about the product and buys it, which means his response is reinforced.

The behaviour of the learner is influenced by how he learns about the service of particular education institution. The learning process starts with the drive, which means the learner should have, first of all, strong, internal, stimulus to acquire an educational qualification. When the learner comes across an advertisement by an education institution for a specific course of study, his drive becomes a motive. When he come across similar advertisements by different educational institutions, then he has to decide which institution he would like to choose, when to join, where to join, etc. These are minor cues. After analysing these cues, the individual chooses a particular institution and enroll himself.

During the course of study – whether two years or three years – he is able to experience the services/ responses offered by the institution, which may be either positive or negative. If the experiences are positive, the individual would like to continue his education in the same institution, which means his learning about the service is reinforced. If the experience are negative, he would not like to continue his education in that institution. This means, by experience the individual learner has learned about the quality of the service offered by the institution.

The practical implication of learning for marketers is that they can build up demand for their service by associating it with strong drives, using motivating cues and providing positive reinforcement.

Belief

A belief is a descriptive thought that a person holds about something. These beliefs may be based on knowledge, opinion or faith. Marketers are very much interested in the beliefs of people about their services because they influence their buying behaviour. If some of the beliefs are wrong and inhibit purchase, the marketer should launch a campaign to correct these beliefs. Hence the marketers of education service should ensure that they create right belief about their services to the learners. In case of wrong belief, it is their duty to see that it is set right.

Attitude

An attitude describes a person's enduring favourable or unfavourable cognitive evaluations, emotional feelings and action tendencies toward some object or idea. Attitudes put them into a frame of mind of liking and disliking an object, moving toward or away from it. This leads people to behave in a fairly consistent way towards similar objects.

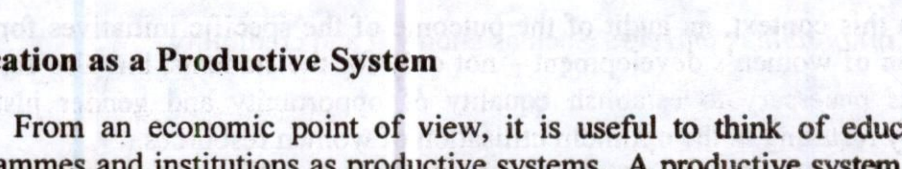
It is the prime duty of the marketer of education service that he creates a positive attitude among the learners towards his services. This can be achieved not only by providing right services throughout, but also creating an environment that could develop emotional attachment of the learners with the institution.

From the above, it becomes obvious that learner behaviour is influenced by economic, sociological and psychological factors. But it is wrong to assume that learner behaviour is influenced by any 'one' of these factors. The fact is that at a point of time and in a given set of situation, it is influenced by a sum total of these diverse yet interrelated factors. When a learner is in the process of taking a decision, all these factors work simultaneously and influence his choice. But it is possible that the relative importance of these factors vary in a given situation. It is the intelligence of the marketer to find out the nature and intensity of the influence exerted by these factors and to formulate appropriate marketing programme.

Education as a Productive System

From an economic point of view, it is useful to think of educational programmes and institutions as productive systems. A productive system in this context may be defined as an integrated and interrelated set of components directed towards the production of some commodity or commodities. The educational system is a productive system in the very real sense that it produces outputs, especially various forms of learning. Further, individual educational institutions and specific courses and programmes within them are productive systems in their own right, operating as sub-systems of a larger system. The key components of such systems can be represented as shown in figure:

Figure: A Systems Model



INPUTS

From an economic perspective, comprise the resources required to enable the system to operate. They include the following:

1. Real Resources:
   - teachers and ancillary staff;
   - students;
   - equipment and consumable materials;
   - buildings and land.
2. ***Finance***
3. ***Time:*** It represents the salary of one teacher for a fixed period of time.
4. ***Information:*** Relevant information required for a manager.
5. ***Other intangible resources:*** Such as goodwill and credibility.

PROCESS

Process describes the way in which resources are combined in the system to produce its results. It is embodied in the curriculum of the school or college, in the educational methodologies it employs, and more broadly, in the ways in which it is structured and managed. An important managerial task is to identify and implement that technology which makes the best use of available resources to produce the desired results

OUTPUT

In education, the main outputs are likely to be expressed in terms of learning – changes in the knowledge, skills and attitudes of individuals as a result of their experiences within the education system. Other outputs are possible, however, such as the production of knowledge as a result of research in higher education. Major difficulties arise in assessing the outputs of educational programmes, compared for example with those of manufacturing industry. There are many reasons for this. Most educational programmes, have a variety of outputs, many of which are qualitative and therefore difficult to define clearly, let alone measure.

This simple system model provides the essential building blocks for considering the economics of educational institutions and programmes. Yet in

an important sense it is incomplete. This is because it takes no account of the fact that education systems are sub-systems within the broader systems of which society is comprised. Therefore, education cannot be properly considered independently of this economic, social, cultural and political environment. In other words education systems are open systems.

EDUCATION MARKET SEGMENTATION

The segmentation process divides the heterogeneous market into specific homogeneous segments. This allows identified segments to be targeted with specific services and a distinctive marketing mix. It aims at satisfying customer needs more effectively.

The identification of specific market segments is the basis for long-term planning of marketing activity. It can also help the development of specific new services aimed at satisfying the needs of a particular market segment. Services can be planned in the light of knowledge of the requirements of distinct segments.

Market segmentation is especially important for education services in the current competitive marketplace. Education institutions are facing increasing competition both in the numbers of competitors and in the proliferation of service offerings.

Service products are frequently not clearly differentiated. Market segmentation offers the opportunity of gaining competitive advantage, in a highly contested market, through differentiation. The market segmentation approach involves identification of the benefits which different homogeneous groups seek, allowing relevant features and requirements to be determined and used as a source of service differentiation.

BASES FOR SEGMENTING THE MARKET

Market segments are formed by grouping customers who share common characteristics that are in some way meaningful to the design, delivery, promotion, or pricing of the service. Common segmentation bases for customer

markets are demographic segmentation, geographic segmentation, psychographic segmentation and behavioural segmentation. Segments may be identified on the basis of one of these characteristics or a combination.

Demographic Segmentation

Demographic variables such as age, gender, income, occupation, religion are the easiest to identify, and form the underlying basis of the segmentation strategy.

Geographic Segmentation

Geographic varaiables such as nations, countries, states, regions form the base for segmenting the market place or identifying potential needs.

Psychographic Segmentation

Psychographic segmentation is concerned with analyzing lifestyle characteristics, attitudes and personality.

Benefit Segmentation

Benefit segmentation assumes that the benefits people are seeking from a given product or service are the basic reasons why they buy the product. This differs from psychographic segmentation which focuses on who will buy a product. Identifying a segment seeking a common benefit permits the service provider to develop a relevant offering.

Benefit segmentation is applicable to almost all services as it focuses on the underlying reasons for purchasing them. For example, within the education market, consumers can be analysed based on the primary benefits they seek from the education experience. An example of benefit segments used for categorizing prospective MBAs is shown below:

Table: MBA Degree Benefit Segments

1.	**Quality Seekers**	Desire the highest quality education available. They believe a first-rate education will benefit them throughout their business lives, ultimately leading to job advancement or career change.
2.	**Speciality Seekers**	Desire a specialised education to become experts in their fields of interest. concentrated programmes will fit their needs, and they will seek out institutions that offer them.
3.	**Career Changers**	Want new job positions or employers and believe the MBA degree will give them the opportunity for career advancement and mobility. They have worked for several years and typically perceive themselves to be in dead-end jobs.
4.	**Knowledge Seekers**	Want to learn and feel knowledge will lead to power. They believe a graduate MBA education will be an asset to any activity they undertake in their social, community, political or corporate lives.
5.	**Status Seekers**	Feel that graduate MBA course-work will lead to increased income and prestige.
6.	**Degree Seekers**	Believe the bachelor's degree is insufficient and that the MBA is essential to being job-competitive in today's business environment. They are active, self-oriented and independent.
7.	**Professional Advancers**	Strive to climb the corporate ladder. They want professional advancement, higher income, job flexibility and upward mobility. They are serious, future oriented and want to build careers within their current corporate structures.

8.	**Avoiders**	Seek the MBA programmes which require them to invest the least effort. They feel all schools will give them essentially the same education. Their motivation is 'other directed' and they select low-cost, lower-quality programmes.
9.	**Convenience Seekers**	Enrol in the MBA programmes that are located near their homes or jobs and have simple registration procedures. They are interested in any school with these characteristics and low cost.
10.	**Non-matriculators**	Want to take MBA courses without completing formal application procedures. They are attracted to schools that allow them to begin the MBA programme without formal application.

Source: Based on G. Miaoulis and D.Kalfus, "10 MBA benefit segments", Marketing News, 5 August 1983.

Usage Segmentation

Usage segmentation focuses on the type and extent of usage patterns. Consumers are typically divided into heavy users, medium users, occasional users or non-users of the service being considered. Many service marketers are concerned with focusing on the heavy user segment, who may consume many times more of the service than the occasional user.

Loyalty Segmentation

Some customers are very loyal to the services organisation they are currently with and on this basis customers are categorized according to the extent of the loyalty they exhibit to the particular product or service being offered.

Customers are sometimes divided into four categories according to consumer loyalty patterns, 'hard-core loyals' (consumers who buy their brand all the time); 'soft-core loyals' (who are loyal to two or three brands); 'shifting loyals' (who shift from favouring one brand to another); and 'switchers' (who show little sustainable loyalty to one brand). The underlying reasons for these different behaviour patterns need further analysis.

Identification and Selection of Target Market Segments

The identification and selection of a particular market segment for targeting with a distinctive service offering may depend on many factors, but the size of the segment, its special needs, the extent to which these needs are already being met by the service organisation or by competitors, and whether the service organisation has the resources available to meet the service requirements are particularly important.

The segmentation process should result in one of the four basic decisions being reached:

1. The service organisation may decide to target one segment of the market.
2. The service organisation may decide to target several segments and so will develop different marketing mix plans for each segment.
3. Management may decide not to segment the market but to offer the service to the mass market. This may be appropriate if the market is very small and a single portion would not be profitable. It also may be the case that the service organisation dominates the market so that targeting a few segments would not increase volume or profit.
4. Analysis may show that there is no viable market niche for the service offering.

Market segmentation will determine the basic segments of the market to be targeted with a particular service. The services offered to these segments then need to be positioned in the minds of the customers. Each individual market or segment may require a specific marketing mix to be designed for it.

THE SEVEN 'P's OF SERVICES MARKETING MIX

The marketing mix concept is a well established tool used as a structure by marketers. It consists of the various elements of a marketing programme which need to be considered in order to successfully implement the marketing strategy and positioning in the company's markets. The discipline of considering the integration of the elements of the marketing mix, as well as the individual various elements, helps ensure that there is consistency within the marketing strategy as a whole.

Traditionally, most marketers have considered four basic components or elements of a marketing mix: product, price, promotion and place. However, within services marketing, it is useful to extend this list to include other key ingredients such as people, process and physical evidence. A consideration of each element of the marketing mix and how they fit together forms the basis of a marketing programme.

SERVICE PRODUCT

The term 'product' is frequently used in a broad sense to describe either a manufactured good or service. Thus goods and services are two types of product. A service product denotes an activity or activities that a service provider offers to perform, which results in satisfaction of a need or want of predetermined customers. The services are offered to a variety of customers at several levels as individual service products.

Branding

Branding has an important role in assuring customers of uniform service quality. Of late, branding has become common in services, and distinctive brands are established with considerable efforts. There is an argument that in future the customers will increasingly respond to a company brand and that the customer's choice will depend upon their assessment of the company and the people behind it rather than on evaluation of the functional benefits of a product or service.

By adding value to the basic generic service product a brand achieves differentiation. But the consumer's perception of service quality depends more

on reliability, responsiveness, assurance and empathy. Hence, the service marketers should be able to differentiate their products.

SERVICE PRICE

Pricing plays an important role in the marketing of services. Pricing decisions have a significant role in the determination of the value for the customer and in building the image for the service. Thus price influences the perception of the quality. It also has an impact on all parts of the marketing channels.

To gain competitive advantage, service firms have to use pricing more strategically. But it is also a fact that pricing has received less attention in service firms. Pricing decisions are not approached in a sophisticated manner in service marketing.

Special pricing considerations apply to services for various reasons. Some of them are:

(a) Immediate delivery,

(b) Importance of availability, according to higher and lower demand, i.e. the demand fluctuation,

(c) Intangible nature of the product as the buyer often perceives a strong price-quality association,

(d) Service categories which cannot be standardised,

(e) Prevailing economic and political conditions,

(f) Location (for example, different States have varied tax structures), and

(g) Status of the user.

PRICING STRATEGIES

Until recently, two broad strategic approaches to prices were in vogue. They are (i) Skimming and (ii) Penetration. Skimming strategy is based on the perceived need of the users which tend to affect their sensitivity to the prices. When they are insensitive to the prices it could be exploited by setting a very high price to skim the cream off the market. Whereas, a penetration strategy

assumes that by producing a product similar to that of a competitor and then under pricing it some or all of its market share can be taken away. The recent trend is an alternative value-based strategy based on the belief that the appropriate concept is the perceived value held by the customer.

PRICING OBJECTIVES

The pricing methods being adopted should consider the pricing objective of the service firm. The most typical pricing objectives that a company could have are:

(a) Pricing to achieve a desired return on investment;

(b) Stabilization of pricing margin to ensure maximum profit;

(c) Pricing to realize the target market share; and

(d) Pricing to meet and prevent competition for survival.

Pricing Methods

After considering the demand, cost, competitors and all the other relevant factors in the light of the pricing objectives, the service marketer should consider the method by which the prices are fixed. There are different methods and some of them are:

1) ***Cost-plus Pricing:*** It includes all methods of setting prices with exclusive reference to cost. By adding an amount of money to an estimated product cost a selling price is arrived at. This money which is added is considered as the profit expectation if the sale is made on the basis of adding this anticipated profit to total or full costs.

2) ***Competition Pricing:*** Pricing based on market conditions where firms compete with one another by undercutting others prices, rather than other forms of competition such as product quality, product differentiation and advertising.

3) ***Competitive Parity Pricing:*** Pricing is done on the basis of those that are followed by the competitor or market leader.

4) ***Loss Leading Pricing:*** The price of a product or service is deliberately cut to a point below its cost aiming to attract additional customers willing to buy profitable items. It is usually applied on a short-term basis to establish position in the market.

5) ***Rate of Return Pricing:*** It is also referred to as target return pricing. The prices are set to achieve a given rate of return on investments and assets.

6) ***Value Based Pricing:*** It is market driven and reinforces the positioning of the service and the benefits the customer receives from the service. In value based pricing, prices are based on the services perceived value to a given consumer segment.

7) ***Relationship Pricing:*** The future potential profit streams over the lifetime of customers, forms the basis for relationship pricing. It is considered that the relationship pricing is the appropriate form of pricing where there is an ongoing contact between the customer and the service provider. It is said that the relationship pricing follows closely the market oriented approach of value based pricing but takes the lifetime value of the customer into account.

8) ***Prestige Pricing:*** The pricing at above the going market price on the basis that many buyers regard price as an indicator of quality and so will perceive enhanced quality to products with higher than usual prices. In such cases sellers will be able to ask prestige prices for products which have distinctive brand names and reputation.

PLACE IN SERVICES

Decisions regarding service locations and channels have an important place in decision areas. Location and channel decisions are essential to consider how and at which place the services can be delivered to the customer. They become more relevant to services as they cannot be stored and mostly are produced and consumed at the same point. The environment in which the delivery of service takes place and the manner of its delivery are important attributes of the service when its value is perceived.

Service characteristics make generalisation of place strategies difficult. The intangible nature, inseparability, nature of interaction between the service firm and its customer, a decision as to adopting single or multisite locations or outlets are all involved in delivery of services.

On these aspects, it is considered that channel decisions are yet to be explored intensively in the context of services. Service marketers are expected to seek and develop appropriate delivery approaches. Location and channels are considered to be two important issues in developing delivery approaches.

Location

Service location is an important consideration in place strategy. A service firm should decide where its operations and staff are situated because if they are not conveniently located the customers may turn to rival service provider who, in their perception, are conveniently placed. So the type and degree of interaction is an important factor involved in the location of services. Some of the critical factors affecting the location decision are:

(a) Convenience perceived by the customer,
(b) Operating cost,
(c) Comparative proximity with that of the competitors,
(d) Complementary and supporting systems,
(e) Geographic and environmental factors,
(f) Business climate in the particular location,
(g) Availability of communication networks, and
(h) Transport facilities.

Channels

Any service marketer is bound to face distribution and channel problems. A channel, according to the American Marketing Association, is the structure of intra company organization units and extra company agents and dealers wholesale and retail, through which a commodity, product or service is marketed. It includes all the stages and organizations through which a product passes between its points of production and consumption. In the process, three

participants, viz., the service provider, intermediaries and customers are involved. The principal function of a distribution channel is to provide a link between the production and consumption by filling away the gaps/ discontinuities existing between them.

A channel may be simple when there is a single, direct transaction between producers and consumers. When there is a concentrated production and the consumers are widely diffused, different channels develop and coexist with a variety of intermediaries like agents, brokers, distributors, wholesalers, retailers etc. Since the service providers themselves are often service delivery channels, selection of any intermediate and appropriate delivery channel is very important. For example, if a franchised delivery system is selected, then the choice of the franchisee is greatly important to ensure the quality of the services.

PROMOTION OF SERVICES

Promotion is a set of activities designed to increase purchases by consumers and is the means through which the service provider communicates with his target markets. The promotion of services cover a number of areas or promotional tools which form the communications mix or promotions mix. The usage of promotion tools are not uniform in all the industries.

The use of promotional tools in service sector is a comparatively recent aspect. Now, the fiercely competitive environment has made the service marketers use promotional tools actively. But promotional exercise as it is done in consumer goods companies is not the same for services industry. A communication programme for a service organization may consist a wide variety of alternative communications and promotion tools. To communicate the target markets by promotion the various elements of the communication mix must be integrated within the promotion and communication programme. This process involves many tasks among which the following are considered important.

(a) Identification of target audience,
(b) Determination of promotion objectives,
(c) Selection of communications mix.

The promotions mix include many elements. Important among them are advertising, personal selling, sales promotion, public relations, word of mouth and direct mail.

Advertising

There are several important issues in advertising. The most important are selection of media, determination of advertising goals and methods of determining the advertising budget.

Media includes radio, television, cinema, newspapers and periodicals, direct mail and outdoor advertising. In selecting the media, the characteristics of the medium, atmosphere of the medium and the comparative cost are important factors.

Advertising goals are important to all advertising campaigns. They should be sound and complete and a measurement of effectiveness of an advertisement or advertising campaign is impossible unless satisfactory objectives have first been specified. The advertising objectives as they are generally referred to, should be explicit, commonly agreed, unequivocal, true, calibrated and testable.

Advertising budget or the advertising appropriation, as it is sometimes referred to, has many approaches. Some of them are:

(a) Advertising-to-sales ratio,

(b) Affordable method,

(c) 'Me too' approach where advertising corresponding to the level of the competitors is adopted, and

(d) Task approach.

Advertising activities generally should be integrated with other elements of the communication mix. They should create a positive image to support the activities of the service company's sales personnel so as to increase their prospects for sales to the customers.

Personal Selling

Personal selling involves oral presentation in a conversation with the purchasers for the purpose of making a sale. Its main objectives is to provide specific inputs which cannot be achieved by advertising. It may be in the form of sales calls by a field representative, assistance by a sales clerk etc. Personal selling creates product awareness, arouses interest, develops product preferences and is useful in negotiating prices and other terms and in providing post transactional reinforcement. It is a complementary activity to advertising as most advertising is generalised and cannot answer all the customer's information needs.

George, Kelly and Marshall suggest seven guidelines for selling services. They are:

(a) Orchestration of the service purchase encounter,

(b) Facilitation of a quality assessment by the customer,

(c) Making the service tangible,

(d) Emphasis on organisations image,

(e) Use of references from external sources,

(f) Recognition of importance of customer contact personnel, and

(g) Recognition of customer involvement during the service design process.

Lack of training and resistance to selling are two commonly faced problems in many services businesses. A sales management structure supported by a programme of sales training will improve the sales personnel's capacity to improve sales. Market orientation development programmes are helpful to overcome the problem of resistance to selling.

Sales Promotion

Sales promotion includes any marketing activity designed to sell a product or service. It engages many marketing tactics like price deals, bonus offers, additional services and gifts. It aims to induce the prospect to overcome the last hesitation in buying.

Traditionally, sales promotion was used mainly in consumers goods market. But, during the last decade many service firms, especially financial services, have adopted sales promotion programmes.

Public Relations

The Institute of Public Relations of England defines public relations practice as "The planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its publics". Publics include all the groups of people and organizations which have an interest in the service company. So the employees also can be included. As publics are more diverse, public relations is essential to communicate with them. In this connection, public is concerned with many marketing tasks like -

(a) Building and maintaining image,

(b) Handling problems and issues smoothly,

(c) Reinforcing positioning,

(d) Influencing the public to a position favourable to the marketer and

(e) Preparing the public favourably while launching new services.

A public relations programme uses many tools. They include journals and other publication, media coverage with press conferences and speeches, sponsored visits and activities and interest group meetings.

Word of Mouth

It is an interpretation of the effect of personal influence on the flow of mass communications, which, in service marketing applies to sources of information inducing potential customers for utilising a service. It highlights the importance of the people factor in services promotion. Words of mouth is considered to be more effective than advertisements. Customers utilising a service talks to other potential customers about their experiences. Such an endorsement has more reliability and impact than an advertisement or other mass or personal communications mix elements.

PEOPLE IN SERVICES

All human actors who play a part in service delivery and thus influence the buyer's perceptions; namely, the firm's personnel, the customer, and other customers in the service environment.

All the people participating in the delivery of service provide cues to the customer regarding the nature of the service itself. How these people are dressed, their personal appearance and their attitudes and behaviours all influence the customer's perceptions of the service. In fact for some services such as consulting, teaching and other professional relationship-based services, the provider is the service.

PHYSICAL EVIDENCE IN SERVICE

The environment in which the service is delivered and where the firm and customer interact, and any tangible components that facilitate performance or communication of the service is known as physical evidence in service.

The physical evidence of service includes all of the tangible representations of the service such as brochures, letterhead, business cards, report formats, signage, and equipment. In some cases it includes the physical facility. Physical evidence cues provide excellent opportunities for the firm to send consistent and strong messages regarding the organization's purpose, the intended market segments, and the nature of the service.

PROCESS IN SERVICES

Service production and delivery involves the process of operations performed, personnel, flows of information etc. They directly affect customer perceptions and are important marketing elements.

These seven elements of the services marketing mix interact with each other. They should be developed in a mutually supportive manner to obtain the best possible match between the internal and external environments of the organisation.

REVIEW QUESTIONS:

1. What do you understand by services?
2. What are the characteristics of services and what are its marketing implications?
3. Explain different levels of product.
4. What do you understand by service mission statement? Give an illustration.
5. What are the components of mission statement?
6. What are the guiding principles in preparing mission statement?
7. Explain the various steps involved in the learner decision-making process.
8. How does an understanding of learner decision-making process help the marketer to formulate marketing strategy?
9. Bring out the importance of studying learner behaviour.
10. Discuss the influence of socio-cultural factors in determining learner behaviour.
11. What are the psychological factors that influence buyer behaviour?
12. What do you understand by service market segmentation? What are the bases?
13. Discuss in detail Seven P's of service mix.

UNIT-II

EDUCATIONAL SERVICE PRODUCT

The term 'product' is frequently used in a broad sense to describe either a manufactured good or service. Thus goods and services are two types of product. A service product denotes an activity or activities that a service provider offers to perform, which results in satisfaction of a need or want of predetermined customers. The services are offered to a variety of customers at several levels as individual service products.

In planning the offer of products and services, a good marketing manager devices a strategy whereby the offers are viewed at various levels to achieve unmatched product differentiation and superlative customer service. Generally, four levels of service products are identified. They are:

(a) The Core or Generic Product

It is the basic service product. Although the term 'generics' is the most usual descriptive term, the generic products have also been described as brand free, no names and unbranded products. A typical example "a course on computing"

(b) The Expected Product

It is the minimum set of benefits expected by a customer from a service product. It consists of the generic product and the minimal purchase conditions which has to be met. Thus, a learner studying in a Computer Centre in addition to teaching will expect, trouble free computer, sufficient hours on hands on training, minimum knowledge to maintain the computer, timely service and minimum courtesy.

(c) The Augmented Product

This is the area which enables one product to be differentiated from another. For example, IBM have a reputation for excellent customer service although they may not have the most technologically advanced core product. They differentiate by 'adding value' to their core product in terms of reliability and responsiveness.

(d) The Potential Product

It consists of potentially feasible added features and benefits to hold and attract customers. A service product is a complex set of value satisfactions and value is assessed by the buyers in relationship to the benefits they receive. But it has to be recognised that customers differ and that their requirements for different attributes vary by market segment.

Education is a core service product and has a complex set of value satisfactions. People attach value to education in proportion to the perceived ability of the service to do this. Value is assigned by the students in relation to the benefits they receive.

Augmentation of the expected product represents a means of creating product differentiation and thus added value from the learners perspective. In education service, the academic programmes offered are core products.

The expected product consists of the generic product together with the minimal support facilities which need to be met. The augmented product is the area which enables one product to be differentiated from another. They differentiate by 'adding value' to the core product in terms of reliability and responsiveness.

Thus, in education, the academic programmes offered are core product; the quality learning materials and effective teaching programmes are expected products and specialised programmes are augmented products.

Service Product Decisions

Education institutions offer a range of academic programmes. Decisions on the range of services to be offered need to be considered in the context of the education institutions positioning strategy and the competitors' service offerings. New courses to be offered should also be consistent with the competence of the education institutions to deliver them.

Market Penetration

Market penetration by education institutions is concerned with how to exploit the current position in the market place better. This can be achieved by more focused segmentation, a more clearly defined positioning strategy or

through better application of the marketing mix elements. Essentially it is concerned with gaining greater productivity from the marketing mix elements and building market share for its education programme.

The education institutions should have a right type of product mix to suit the requirements of different segments of learners. Different educational programmes should be designed in such a way that it suits to different segments. A particular segment which would like to acquire a higher qualification for the sake of higher qualification looks for a course which they would like to acquire without much effort. The education institutions are also able to get a good enrolment for such type general academic programme. A degree in History is a good example that suits for mass marketing. Another segment of learners which belong to class marketing is a specific group which require specialised knowledge and skill in their chosen area of interest. The education institutions have to identify such type of specialised academic programmes suited to specific segment of learners.

The important aspect of education institutions is that they have to constantly study the requirements of intending learners and must develop need based new educational programmes. Such programmes are to be developed for different levels such as certificate, diploma, under-graduate and post-graduate depending on the learner's need.

Because of the increased sophistication, each individual must be a multidisciplinarian. He may be an expert in one field but necessarily requires considerable knowledge in related fields also. For example, even a physician need to have basic engineering knowledge due to advanced medical equipments he has to deal with. Though Computer Engineering is a specialised field, the knowledge of computer operations has become a basic need to every individual working in any field. For instance, courses on E-Commerce, Medical Transcription, Information Technology Enabled Services are in great demand now. Hence, there is a great potential for Information Technology education which the education institutions can effectively explore by developing appropriate programmes suited to different segments.

Similarly, the curriculum and the course materials of the existing courses need to be revised/modified periodically, depending on the requirement. For

instance, the curriculum on computer education, economic legislations, tax laws require frequent revision and upgradation.

In order to facilitate further understanding of service product, it will be appropriate to know the meaning of some other terms also which often recur in any discussion about product. Some of these terms are discussed below:

- ***Need Family:*** The core need that actualises the product family. Example: Safety.
- ***Service Product Family:*** All the product classes that can satisfy a core need with more or less effectiveness.
- ***Service Product Line:*** A group of products within a product class that are closely related, because they function in a similar manner or sold to the same customer groups or are marketed through the same types of outlets or fall within given price ranges. Example: Management Courses.
- ***Service Product Item:*** A distinct unit within a brand or product line that is distinguishable by size, price, appearance or some other attribute. Example: Masters Degree in Financial Management.

PRODUCT MIX DECISIONS

Product Mix

A product mix (also called product assortment) is the set of all product lines and items that a particular seller offers for a sale. Thus in education service, the variety of courses offered by an institution is called education service product mix.

An institution's service product mix can be described as having a certain *width, length, depth and consistency.*

- The width of the service product mix refers to how many types of courses the institution offers. Thus an institution may offer Management courses, Arts courses and Science courses i.e. three service product lines.

- The length of service product mix refers to the total number of items in each service product line. Example: Undergraduate, Postgraduate, M.Phil. levels.

- The depth of service product mix refers to how many product variants are offered in each product item in the line. Example: under Undergraduate there could be five courses, viz., BBA, BCA, B.Com, B.A. (History), B.A. (Tamil).

- The consistency of the product mix refers to how closely related the various product lines are in end use, service product requirements, distribution channels or some other way. Example: Management related courses such as BBA, B.Com., Bachelor of Corporate Secretaryship, Bachelor of Bank Management etc.

These four dimensions of the service product mix provide the bases for defining the institution's service product strategy. The institution can grow its services in four ways. The institution can add new courses, thus widening its service product mix to capitalise the institution's reputation or the institution can lengthen its existing product lines to become a more full line institution or it can add more product variants to each product item and thus deepen its product mix. Finally the institution can pursue more product-line consistency or less, depending upon whether it wants to acquire a strong reputation in a single field or participate in several fields.

EDUCATION PRODUCT PLANNING AND DEVELOPMENT

The service products are the most visible assets of the service organisations and the new service products are, hence, considered to be the corner stone of the long term survival and prosperity of many organisations. The rapid technological changes, shifting patterns of world market opportunities and the intense competition compel the service firms to continuously develop new service products. But failure in new service product development is not uncommon. Apparently, new service product development is an unstable activity, inherent in most service organisations. But when market conditions

pressurise, there is no other go except to take the risk of introducing new service products. The same is the case for education service.

NEW SERVICE PRODUCT - MEANING

Defining a new service product is not a simple task. In an absolute sense, it is something new which has not existed before. When considered in a relative sense, it is something new which has not been experienced before and perceived as new. In defining new service products, the relative view is considered more useful because whether or not something is absolutely new, the interested persons who have not yet experienced it may represent opportunities or problems for consideration.

Musselman and Jackson states that a product is said to be a new product when it serves an entirely new function or makes a major improvement in a present function.

According to Stanton, new products are those which are really innovative and truly unique replacements for existing products that are significantly different from the existing products/services and includes initiative products that are new to a company but not new to the market. If the buyers perceive that a given item is significantly different from competitive goods being replaced with some new features, like appearance or performance, then it is a new product.

For Kotler, new products mean original products, improved products, modified products and new brands which are developed by the firm through its own research and development efforts and includes those products which the consumers see as new.

A new service product is thus perceived differently by different people. It is a need satisfying concept with benefit for buyers bundle of need satisfying features; for marketers, a way to add value.

New service product development is one of the most important components of service product policy and service product management. 'Innovate or die', thus goes an old saying. This is especially true in marketing. Unless the service organisations innovate and introduce new service products, it cannot survive in the competitive market.

NEED FOR DEVELOPMENT OF NEW EDUCATIONAL SERVICE PRODUCT

The following are the strategic reasons for launching new educational service products

- New educational service products meet the changes in learner demands.
- New educational service products are the source of competitive advantage.
- They provide long-term financial return on investment.
- They utilise the existing infrastructure facilities to an optimum level.
- They leverage brand equity.
- They enhance institutional image.

NEW EDUCATIONAL SERVICE PRODUCT DEVELOPMENT PROCESS

1. Generation of Ideas for New Academic Programme
2. Screening of Ideas
3. Concept Development and Testing
4. Marketing Strategy Development
5. Analysis of New Programme Viability
6. Development of the Academic Programme
7. Launching the New Programme

1. GENERATION OF IDEAS FOR NEW ACADEMIC PROGRAMME

The new service product development process starts with the search for ideas. An idea is the highest form of abstraction of a new service product. It is usually represented as a descriptive statement, written or verbalised. Generally, the more the number of ideas, the better.

The objective of this stage is to obtain (a) ideas for new service products, and (b) new attributes for the existing service products.

Sources of New Educational Service Product Ideas

Major sources of new service product ideas include own academic faculty, learners, competitors, etc.

Own Academic Faculty: The education institution can get ideas for new academic programme from its own academic faculty.

Learners: The institution can collect ideas from potential learners and from the public.

Competitors : The education institution can watch what other competing education institutions does. They can also scrutinize the advertisements and other communications of their competitors, to get clues about their new programmes.

2. SCREENING OF IDEAS

The purpose of idea generation is to create a large number of ideas. The purpose of screening is to *reduce* that number. The first idea-reducing stage is idea screening. The purpose of screening is to spot good ideas and drop poor ones as soon as possible.

In this stage administrators use their knowledge and experience to weed out the poor ideas and will eliminate those ideas which are inconsistent with the service product policies and objectives, existing skills and resources and so on. In the same way, ideas which are incompatible with the institutions existing markets and learners are likely to be screened out.

3. CONCEPT DEVELOPMENT AND TESTING

The education institution which plans for a new academic programme, at this stage have to draft the objective, purpose of the programme and also the broad areas of the subject to be offered.

This broad plan of action regarding the proposed new programme shall be tested with academic experts and potential learners. Basing on their response necessary modifications shall be introduced in the plan for the new programme.

4. MARKETING STRATEGY DEVELOPMENT

After developing and testing the new academic programme, the institution should proceed to develop a marketing strategy for introducing the new programme. This also includes propagating new nomenclatures for the proposed new programme, which the institution might think an attractive marketing tool. The institution can undertake massive publicity campaign regarding the proposal of launching this new programme among the target learners.

5. ANALYSIS OF NEW PROGRAMME VIABILITY

In this stage the institution shall undertake the analysis of commercial viability of offering the new programme. This includes demand analysis, the number of learners likely to enroll in the first year and also in subsequent years. Analysis will also be made on fixing the course fee structure and the likely revenue and expenditure for the programme. If the institution finds out that the proposed new programme is economically and commercially viable, it will move to the next stage.

6. DEVELOPMENT OF THE ACADEMIC PROGRAMME

At this stage the education institution gets itself prepared for launching the programme. The basic requirement is developing the necessary infrastructural facilities, which include construction of building, establishing laboratories, books, furniture etc. Steps may also be made to appoint qualified and competent teaching faculty and administrative staff. A detailed curriculum is prepared and should be finalized with the help of academic experts constituted for the purpose.

7. LAUNCHING THE NEW ACADEMIC PROGRAMME

This is the final stage where the institution actually launches the new academic programme. The institution must be cautious in choosing the timing of launching the programme. It is always the early bird which always succeed. Further, it also requires that the institution should undertake necessary publicity campaign through various media to attract the potential learners and the public.

INNOVATIONS IN EDUCATION

Ideas are the real capital. They come from innovation. Knowledge memorized and stored in brains is important, but more important is the ability to discover the unknown. Today, innovation is seen as one of the most important value drivers in an education organisation.

Innovation is a technological, managerial and social process through which a new idea or concept is first adopted as a regular practice. This process of innovation is the key to wealth creation and business success. Innovations that help an organisation to introduce new products or services, explore new channels and devise new processes can propel the organisation forward on a path of sustainable growth. Today's organisations need to innovative in services, business models, organisational structures, internal processes, profit zones, alliances, marketing and strategy.

This is, however, something that businesses have known for a long time. What is new is the changed market context, which has necessitated a renewed focus on innovation. In this hyper-competitive environment where both products and strategies can be easily imitated by the competitors, the speed of innovation has become an important source of sustainable competitive advantage. Moreover, the focus of the innovation process needs to be redefined from research and development to marketing strategies that affect the commercialization of new ideas. Traditional models for creating, developing, distributing and benefiting from innovations no longer suffice. Success depends on the ability and time taken for creation and commercialization of innovations.

The competency of work force today is measured in terms of its ability to innovate. People have to be innovative to see ahead of others the incoming opportunities. This is the strength, which they have to acquire by learning and technique of innovation.

Invention when exploited commercially is known as innovation. Research conducted in universities, colleges and polytechnics, often results in publication of wonderful papers, but rarely results in commercial exploitation. Thesis written by students mostly remain on library shelf. No conscious effort is made for their commercial exploitation, mainly because drive in this direction is lacking. Students do not get opportunity to learn to convert inventions into

usable goods and services. To that extent the skill set of students, in spite of potential, remains deficient by international standards. This, in addition reduces utility of research done and the rate of return on investment. It is a good sign that higher education in India, is growing. But acquisition of skills for commercial exploitation, which is the demand of the time is lagging. In developed countries innovation in academic institutes is a usual practice. This has generated a wave of entrepreneurship facilitating students and the whole community to be creative, tapping the market in the whole world. Unfortunately this wave of creativity, and outward looking culture is yet to reach the Indian shores. More the commercialization of technology more is the wealth generation. These units earn profits and subsidize education and research.

Indian graduates, in competitive environment, have now to acquire skills to generate new technologies, acquire skills to innovate new products and new processes, needed in the world market. The institutes and students need to dream high, in tune with global competitiveness. Learning innovation enables students to consolidate their knowledge of basics.

Innovation in education institutes in India is conspicuously absent. Students do not get global perspectives. This is a serious lacuna. The institutes without innovation are truly incomplete in the modern sense. Quality of technical education and research can substantially be enhanced and the returns on investment increased if innovation policy in universities, colleges and polytechnics is introduced.

Quality Improvement Programme

For reformation of technical education, Government of India has recently launched through AICTE, a massive programme and termed it as 'Technical Education Quality Improvement Programme' 'TEQIP'. National Project Implementation Unit 'NPIU' has been specially set up to plan and monitor. The objectives are to impart world class education, to enable students to grow to the level they are capable of, so as to reduce dependence on foreign technology and build India a developed nation by the year 2020.

It is necessary to think differently, think great, going beyond the current practice. It is necessary to design new organisation structures oriented towards innovation, and enable students to acquire enterprising skills equal to, if not

more than, their counterparts abroad, which is the need of the hour. This is to say that institutions must provide a portal through which all the students compulsorily should have to pass through, for practice of commercial exploitation of the new knowledge.

What is observed in higher education institutes abroad is that they have on their campuses centers like Research Park, Patent and Technology Transfer Center, Entrepreneurship Development Center, Incubator, Innovation Relay Center, Industrial Services Centre, etc. Venture Capital companies have opened offices in the campuses for early commercialization of technologies. Corporate education centers are opened to educate aging work force. Institutes are designed to generate new technologies. Companies from across the world are flocking round them in search of new technologies. Institutes have become sources of new ideas enabling companies to win. An institute functions like a light house for industry. It is these things which have increased productivity and added value to growing economy. Such institutes are functioning like a manager attracting best of brains from anywhere and everywhere, in the world.

Cambridge Research Park, Limerick University Research Park, Harburg University Park in Germany, technology based spin-offs from Sophia Antipolis University Park in Finance, Oulu Business University Park in Finland etc are world famous examples which have benefited the students, industry and academia. China and Taiwan have installed such parks in their institutes, and thereby currently have successfully been converting brain drain into brain gain. An OECD study recently reported that those nations which lead in introducing innovation tend to win jobs from those who lag. Joblessness in India is increasing mainly due to lack of innovation. Insufficient innovative activity in India, is due to shortage of people possessing innovation skills, because innovation is not taught in colleges. This is cited as a key factor behind under-performance of Indian economy and fast growing unemployment. India must recognise the full scope of the innovation phenomenon.

Can Indian academics teach innovation skills by international standards. Can they teach skills of discovery and skills to generate technologies equal to their counterparts abroad? Certainly Yes! They have the potential. Can India hope to become a developed nation without learning innovation? Should we keep on teaching sunset technologies today? Can we hope to reform education

without adopting innovative strategies? Certainly not. What do we invest in technological innovation today to make the future of youths brighter? Can we have employment generation without them? Can students acquire innovation skills without infrastructure for innovation?

A new entrepreneurial society in the world is coming into being. Institutions should therefore focus their attention on reorienting students towards the same, without which graduates cannot be diverted towards self employment. India, in globalisation, should deviate from traditional methods of learning and take a lead in sharpening the innovation potential of students.

Education and training in universities, colleges and polytechnics have a major influence on the nation's capacity for innovation. The new dimension of 'Technological Innovation' needs to be added, forthwith to make technical institutes, qualitative and competitive in the global context.

If we develop systems in colleges to produce new knowledge and new technology, then there is a fair chance to convert brain drain into brain gain.

If we can establish innovation infrastructure, in partnership with industry and create an enabling environment, in which all stake holders including the students and public at large participate, India can hope to become a developed nation. Without this, our engineers may fail short of global standards and economy will be destined to lag behind, in spite of possessing a huge potential.

It is high time that India derives lessons from global winds of change and provides competitive education to youths. Future of India depends on what we teach today, in technological innovation.

Resources are not in short supply, but the visions. Institutions must have to throw away the old shackles and resort to new visions of the new world. They should become business oriented by following this model. This is no more an option but a compulsion.

EDUCATION SERVICE PRODUCT MODIFICATION DECISIONS

A service product modification is any deliberate alteration in the attributes of the service product.

Need for Service Product Modification

A number of factors may prompt the institution to modify its course offerings:

- To take advantage of a new technological development.
- To modify the service product out of competitive necessity.
- To regenerate a service product suffering from declining sales.

The education institutions have to suitably modify their academic programmes by updating the curriculum, depending on the changes in the educational environment. For example, the management programmes have been updated by incorporating the information technology related subjects. Further, changes in new economic, industrial policies and tax laws have also necessitated modification of the curriculum.

EDUCATION SERVICE PRODUCT ELIMINATION DECISIONS

Education service product elimination is an act of discontinuing or dropping an existing academic programme.

Reasons for Product Elimination

- ❖ The weak education programme tends to consume a disproportionate amount of management's time
- ❖ It attracts only very poor enrolment in spite of expensive infrastructure.
- ❖ The existing promotion efforts could be diverted towards more viable academic programmes.

In spite of the costs of carrying weak academic programme, sometimes the education institution continue the particular programme due to logical as well as sentimental reasons. Sometimes, it is expected that the academic programme will pick up in the course of time when economic or market factors become more propitious.

The foregoing are all logical arguments for retaining weak academic programme in the mix. But there are also situations such as institution's sentiment or presence of vested interests in retaining weak.products.

A somewhat more systematic approach is for the administrator to review periodically all programmes whose profitability is less than the average; for each such programme, the administrator is requested to recommend action for improving earnings or elimination of that particular academic programme.

An education institution that wishes to maintain a strong service product mix must commit itself to the idea of periodic product review, preferably by a service product review committee. The service product review process begins with collecting and analysing the data for each programme showing total enrolment of the particular programme, enrolment in that particular institution for that programme, unit cost, prices and other information over the last few years, which may reveal the most dubious programmes.

The dubious programmes are then rated basing on the criteria such as:

- What is the future market potential for this programme?
- How much could be gained by programmme modification?
- How much could be gained by marketing strategy modification?
- How much executive time could be released by dropping the programme?
- How good are the education institution's alternative opportunities?
- How much is the programme contributing beyond the direct costs?
- How much is the programme contributing to the sale of the other academic programmes?

The Committee then decides which programmes to drop and then decides strategies for phasing out each of them.

For each academic programme to be eliminated, instituition must determine its obligations to the various parties affected by the decision. Some of the programmes can be dropped quite easily with little repercussion while other programmes eliminations will require an elaborate phasing-out plan.

SERVICE PRODUCT FAILURE

There are also instances where, new products may fail immediately on launching. The product will be in the market only for a very short period and it will fade away on its own. This is called product failure.

Reasons for New Service Product Failure

(1) A senior faculty might push her favourite academic programme in spite of negative marketing research findings.

(2) The idea may be good, but the market size is over estimated.

(3) The actual service product is not designed.

(4) The specific programme may be incorrectly positioned in the market.

(5) The programme may not be advertised effectively.

(6) The programme might have been fixed higher course fees.

(7) The cost of the programme development may be higher than expected.

(8) The competitions may be severe than expected.

(9) The programme might fail due to governmental regulation.

(10) The programme may fail due to delays in decision-making or poor timing.

(11) Lack of proper response to complaints.

(12) It may fail due to poor after-sales-service.

EDUCATION SERVICE PRODUCT LIFE CYCLE

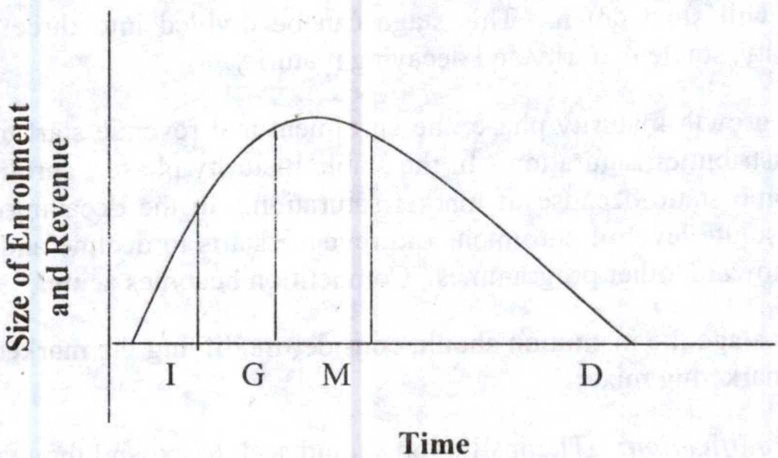
Like human beings, every service product has a life span. When a new service product is launched in the market, its life starts and the service product passes through various distinct stages such as introduction, growth, maturity and decline. This is called Product Life Cycle (PLC).

The Product Life Cycle is an attempt to recognise 'distinct stages' in the 'sales history' of the service product. In each stage, there are distinct opportunities and problems with respect to marketing strategy and revenue

potential. The PLC concept provides a useful framework for developing effective marketing strategies in different stages of the Service Product Life Cycle.

There are four stages in the Service Product Life Cycle - *introduction, growth, maturity and decline*, as already mentioned.

Figure:



Introduction Stage

The introduction stage starts when the new academic programme is launched. In this stage only a few learners will enroll for the new programme. Hence, enrolment will be low and the revenue will be negative or low. The promotion expenses will be high. There are only a few competing institutions for the similar programme. Regarding fee structure, the management can pursue either skimming strategy i.e. fixing a higher course fee or penetration strategy i.e. fixing a lower course fee.

Growth Stage

If the new service product satisfies the market, it will enter a growth stage. This stage is marked by quick increase in enrolment and revenue. Along with the existing learners, the new learners will also enroll, especially if they hear favourable word of mouth about the programme. New competitors enter

the market, attracted by the opportunities for higher revenue. The market will expand. Course fee remain the same. Institutions maintain their promotional expenditure at the same level or slightly higher level to meet competition and continue the educating the market.

Maturity Stage

This stage normally lasts longer than the previous stages and it poses strong challenges to marketing management. At this stage, student enrolment and revenue will slow down. This stage can be divided into three phases - growth maturity, stable maturity and decaying maturity.

In the growth maturity phase, the enrolment and revenue start to decline because of distribution saturation. In the stable maturity phase, enrolment and revenue become static because of market saturation. In the decaying maturity phase, the absolute level of enrolment and revenue starts to decline and learners start moving toward other programmes. Competition becomes acute.

At this stage the institution should consider modifying the market, service product and marketing mix.

- ***Market Modification:*** The institution should seek to expand the market and enters into new markets. It looks for new learners.
- ***Service Product Modification:*** The institution can think about modifying the curriculum of the existing programme, to make it updated and to attract the enrolment.
- ***Marketing-mix Modification:*** The institution should also try to stimulate student enrolment through modifying one or more marketing-mix elements such as course fee reduction, modify the advertisement and publicity campaign.

A major problem with marketing-mix modification is that they highly imitable by competitors. The institution may not gain as much as expected and in fact all institutions may experience revenue erosion as they compete each other.

Decline Stage

In this stage, enrolment and revenue decline and eventually dip due to number of reasons including technological advances, changes in learners requirement and acute competition. As enrolment and revenue decline some institutions withdraw from the market. Those remaining may reduce the number of service product offerings.

Hence, institutions need to pay more attention to their aging programmes. The institution has to identify those programmes in the decline stage by regularly reviewing student enrolment, market shares, costs and revenue trends. Then, management must decide whether to maintain, harvest, or drop each of these declining service products.

USES OF PLC CONCEPT

PLC concept's usefulness varies in different decision-making situations. As a planning tool, the PLC concept characteristics the main marketing challenges in each stage and suggests major alternative marketing strategies the institution might pursue. As a control tool, it allows the institution to compare its service products performance against similar service products in the past.

CRITICISM OF PLC CONCEPT

1. PLC stages do not have predictable duration. It may vary from service product to product.
2. The marketer cannot tell at what stage the service product is in, as there is no definite line of demarcation between one stage to another stage.
3. Not all service products pass through all the stages. It is possible that the service product may travel to the first and second stage and die out.

Not all service products pass through all the stages of its life cycle. Some service products are introduced and die quickly; others stay in the mature stage for a long, long time. Some enter the decline stage and re then cycled back into the growth stage through strong promotion or repositioning.

EDUCATION BRANDING

The selection of a proper brand name is the major step in managing a service product. The branding of a service product is like naming a new-born child. It basically serves to identify the offering. Branding can add value to a service product and is therefore an intrinsic aspect of service product strategy. Essentially, a brand is a promise of the marketer to deliver a specific set of benefits or attributes or services to the buyer. Each brand represents a level of quality.

As far as education services are concerned, the nomenclature of the academic programme is nothing but branding.

Some key definitions of branding are:

Brand: Brand is a name, term, sign, symbol or design or a combination of them, which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. Thus a brand identifies the service providers.

Brand Name: It is that part which can be vocalised - the utterable. Example: Master of Business Administration (MBA), Post Graduate Diploma in Computer Applications (PGDCA).

Trade Name / Mark: It is brand name or symbol that is given 'legal protection' because it is capable of exclusive appropriation by the service provider. As far as education institutions are concerned the 'emblem' or 'logo' is their trade mark.

Branding has become common in services, and distinctive brands are established with considerable efforts. There is an argument that in future the learners will increasingly respond to an institution brand and that the learner's choice will depend upon their assessment of the institution and the people behind it rather than on evaluation of the functional benefits of a service.

By adding value to the basic generic service product a brand achieves differentiation. But the learner's perception of service quality depends more on

reliability, responsiveness, assurance and empathy. Hence, the service marketers should be able to differentiate their service products.

It is also equally important that the nomenclature under which the degrees are offered acts as a powerful motivating force to the learners. When learners opt for specialised programmes, want that their specialisation be reflected in the nomenclature of the course and in the degrees awarded. Hence Universities, for instance, have named the degrees as Master of Corporate Secretaryship (MCS), Master of Bank Management (MBM), Master of Marketing Management (MMM), Master of Human Resource Management (MHRM), B.S.(Fashion Design and Apparel Management), B.S. (Hospitality and Tourism Management).

NOMENCLATURE (BRANDING) DECISION

1. The nomenclature name makes it easier for identification of the specific academic programme both for the institution and the learner.

2. The institution logo (trade mark) provide legal protection under which its services are offered.

3. Nomenclature gives the marketer the opportunity to attract loyal and potential learners by creating brand image and brand loyalty.

4. Good brand helps build the institutional image.

SELECTION OF NOMENCLATURE FOR THE PROGRAMMES

The nomenclaure should be carefully chosen. A good name can add greatly to the programmes success. Finding the best nomenclature is a difficult task. It begins with a careful review of the programme and its benefits, the target learners, and proposed marketing strategies.

A good nomenclature of a programme should basically possess the following qualities:

- It should be short, simple and easy to pronounce.
- The nomenclature should be distinctive.
- It should be easy to recognise and remember.

- It should be capable of registration and legal protection.
- It should be adaptable to any advertising media.
- It should suggest something about the service product's benefits and attributes.

Nomenclature Strategies

Education institutions follow different strategies in choosing the nomenclature for different type of academic programmes.

For some programmes ***individual nomenclatures*** are given. For instance, Master of Bank Management, Master of Corporate Secretaryship, Master of Finance and Control etc. There are many reasons for doing this:

- Academic progammes offered by the education institution may become diverse and hence require distinct nomenclature.
- Education institutions may wish to market their combination of programmes to different market segments.
- Sometimes institutions may have multiple academic course offerings, which compete with each other.
- A new nomenclature permits the building up of new excitement and conviction.
- New nomenclatures helps to create ***brand image*** for the specific academic programme.
- Individual nomenclature helps for ***positioning*** the specific academic programme in the learners perception.

Some education institutions use a ***common nomenclature*** for its several course offerings. Example: M.Sc. (Bio-Informatics), M.Sc.(Industrial Chemistry), M.Sc. (Bio-Technology), M.Sc. (Oceanography), M.Sc. (Physics), M.Sc. (Mathematics) etc. Using a common nomenclature for all courses has some advantages:

1) The cost of introducing the nomenclature will be less because there is no need for 'name' research or for heavy advertising expenditures to create brand-name recognition and preference.

2) Recognition will be easy if the nomenclature is common, which has an established reputation and acceptance.

BRAND EQUITY

Brand vary in the amount of power and value they have in the marketplace. Some brands are largely unknown to most buyers. Other brands have a high degree of consumer *brand awareness*. Still others enjoy *brand preference* – buyers select them over the others. Finally, some brands command a high degree of *brand loyalty*. Brand equity is the process of brand building.

Akar defines brand equity as a set of assets associated with a brand and which add to the value provided by the product/service to its customers. A brand equity is in effect the aggregate of potential customer's beliefs that it will deliver on its promise. Thus the term brand equity refers to the value inherent in a well known brand name.

A powerful brand has high *brand equity*. Brands have higher brand equity to the extent that they have higher brand loyalty, name awareness, perceived quality, strong brand association, and other assets such as patents, trademarks and channel relationships. A brand with strong brand equity is a valuable asset. The best example is the Indian Institute of Managements (IIMs) have strong brand equity as far as Management Programmes are concerned.

High brand equity provides an institution with many competitive advantages.

- A powerful brand enjoys a high level of brand awareness and loyalty among learners.
- Learners accept and willing to pay more for the powerful brand.
- The institution will incur lower marketing costs relative to revenues.
- The brand name carries high credibility, the institution can more easily launch brand extensions.

To build brand equity, the manager has to create and enhance brand awareness, brand loyalty and perceived quality of brand and brand associations (i.e. associating with certain tangible and intangible attributes). It should be understood that a brand is an intellectual property and hence patents form a brand asset. This requires continuous R&D investment, skillful advertising and excellent trade and consumer service.

Some analysts see brands as the major enduring asset of the institution. Behind every powerful brand stands a set of loyal learners. Therefore, the basic asset underlying brand equity is *customer/ learner equity*. This suggests that marketing strategy should focus on extending *loyal customer lifetime value*, with brand management serving as a major marketing tool.

REVIEW QUESTIONS:

1. What are the different components of product mix?
2. What are different types of products?
3. Explain product-line decisions.
4. Discuss the various steps involved in new product development process.
5. What are causes and methods of product modification and product elimination?
6. What are the reasons for new product failure?
7. What is Product Life Cycle concept? What are the stages of PLC concept? Explain their marketing implications?
8. What is branding? What are the reasons for branding?
9. What do you understand by 'brand equity'?

UNIT-III
EDUCATION SERVICE PRICE MIX

Pricing plays an important role in the marketing of services. Pricing decisions have a significant role in the determination of the value for the customer and in building the image for the service. Thus price influences the perception of the quality. It also has an impact on all parts of the marketing channels.

To gain competitive advantage, service firms have to use pricing more strategically. But it is also a fact that pricing has received less attention in service firms. Pricing decisions are not approached in a sophisticated manner in service marketing. Very few marketers utilise pricing as a purposive marketing tool.

Pricing decisions for educational service are particularly important given the intangible nature of the service product. Pricing of education service refers to the fees charged by the educational institutions for its services which include, fees for academic programmes and other supportive services offered by the institution. Price of education comprises admission fee, tuition fee, laboratory fee, library fee, sports fee, examination fee, hostel fee, transport cost, etc.

The decisions regarding course fee are significant in determining the value for the learner and play a role in the building of an image for the service. Fee also gives a perception of quality of the service, the learners are likely to receive. Educational institutions need to use their pricing strategy more strategically to help gain competitive advantage.

FACTORS INFLUENCING FEE STRUCTURE

Fee structure is influenced by both internal and external factors. In each of these categories some may be economic factors and some psychological factors; again, some factors may be quantitative and yet others qualitative.

Internal Factors Influencing the Fee Structure

- Institution and marketing objectives: The common objectives are *survival, revenue, market-share, leadership* and *service-quality leadership*.

- The image sought by the institution.
- The desirable market positioning of the institution.
- The characteristics of the service product.
- Price elasticity of demand of the service product.
- The stage of the service product on the product life cycle.
- Costs of delivering and marketing.
- Service product differentiation practiced by the institution.
- Other elements of marketing mix of the institution and their interaction with the fee structure.

External Factors Influencing the Fee Structure

- Market characteristics.
- Learners behaviour in respect of the given academic programmes.
- Bargaining power of the learners.
- Competitor's fee structure.
- Government controls/ regulations on fee structure.
- Other relevant legal aspects.
- Social considerations.

PRICING OBJECTIVES/ METHODS

Cost-plus Pricing

It includes methods of setting prices with reference to cost. By adding a margin of profit to an estimated product cost a selling price is arrived at.

The concepts of cost relate to the purpose for which the resources are required and spent. The objective of cost analysis is, therefore, to ensure efficiency in the use of resources for achieving the given objectives of higher education. Here, it is necessary to distinguish between the terms, 'expenditure' on education and 'cost' of education which are often synonymously used. That part of expenditure which has some relationship with the production process and

the output is referred to as 'cost'; and that part which has no such relationship with the production process and output is merely 'expenditure'. Expenditure can be expressed only in monetary terms, while cost can be expressed in monetary as well as real or physical terms.

Unit Costs: the 'unit' in the unit costs of education refers to the number of students enrolled (or on rolls).

Institutional Costs: The institutional costs of education are generally analysed following either of the following ways of classification:

(a) Variable and fixed costs of education;

(b) Recurring and non-recurring costs of education; and

(c) Current and capital costs of education.

Broadly, fixed costs include costs of the following items: purchase of land and buildings, or cost of construction of buildings; purchase of durable equipment, like microscopes, and costs on other non-recurring items. With regard to fixed costs, like those incurred on buildings, it is quite difficult to calculate the unit cost per year. In most studies it is either ignored, or sometimes cost is imputed on the fixed asset (Blaug et-al, 1969). This forms a component in the recurring costs. Thus, while the cost of buildings becomes fixed or non-recurring cost, in case of a hired building, forms recurring cost. On the other hand, variable or recurring costs include salaries and allowances of teaching staff and non-teaching staff, scholarships, stipends, fee concessions etc. (including the imputed costs of free-studentship, purchase of non-durable or consumable material), and cost on maintenance and repairs of buildings, furniture, equipment etc.

Departmental Costs: It refers to the expenditure incurred by the university on specific components of a department, like salaries of teaching and teaching supporting staff, other teaching supporting inputs, viz. laboratory equipments, chemical and consumables, and the apportioned expenditure of central administration for that particular department.

The estimation of costs would be based on the recurring expenditure of a university. The latter may be broadly grouped under two classes – 'academic activity' and 'administration'.

Academic Activity

This head comprises of three components: teaching, academic services, and student welfare activities.

(i) Teaching Cost:

The salaries, allowances and honoraria given to teaching and non-teaching supporting staff, technical staff, administrative staff attached to department and expenses on other teaching inputs including cost of equipment and materials, expenditure on excursions and seminars, etc. incurred by the university are included here. The expenditure on teaching should also include cost of stationery, postage, telegrams and telephones used by the departments. Most of the universities present these statistics in their annual budgets at the departmental levels, but some universities do not have this practice. Efforts should be made to collect such information at disaggregate level, i.e. at departmental level, at the least.

(ii) Academic Services Cost:

This cost includes all types of recurring expenditure like salary of supporting staff and expenditure on items like maintenance of books, equipment and furniture, cost of materials like stationery, chemicals etc. cost on postage etc. and cost of various academic service units. The most important of which are the library, computer centre and instrumentation centre.

(iii) Student Welfare Activities Cost:

This cost includes recurring expenditure on hostels, sports, recreational and cultural activities, student unions, canteen, health centers etc.

Administration

Under administrative cost is included expenditure on three major heads, viz. (i) general administration, (ii) common services and general charges, and (iii) cost on other departments like engineering, sanitation, security and establishment.

(i) Cost of General Administration:

This includes salary of staff engaged in general administration of the university such as office of the Vice-Chancellor, Pro-Vice-Chancellor, Registrar, Finance Officer, Registration, Reactor's Office, Dean's Office etc. It also includes expenditure on other non-salary items like stationery, postage, telegrams, telephones, maintenance of furniture, equipment, vehicles, advertisement, consumables etc.

(ii) Cost of Common Services and General Charges:

Under this head, the expenditure which are common to all departments (not included elsewhere), and expenditure incurred on traveling, postage, telephone, stationery, repair and maintenance, electricity and water charges, rents, printing of forms, registers, entertainment, advertisement, legal expenses, rates and taxes, and other common expenses are included.

(iii) Cost of Other Departments:

This includes salary of staff and all other expenditures incurred by the engineering, sanitation, security and estate departments.

The cost of conducting external examinations is here not considered to be a part of the teaching programme because separate fees are charged for this purpose, and it is to be presumed that all examinations costs are covered by fees. In fact, many universities have substantial annual savings from the examination funds which are used for developmental work. Where examinations are a loosing proposition increasing examination fees and curtailing examination costs, appear to be the only available options.

Estimation of Unit Costs

The unit cost can be calculated at two levels i.e. institutional and departmental/programme level.

(i) Institutional Cost per Student:

The institutional cost per student may also be worked out in two major sub-components viz., academic cost per student and administrative cost per

student. The total of both the sub-components would give us per student institutional cost of a university/institution. On the basis of per student cost on these two components, which categorically shows how much amount an institution incurred on teaching activities and on administration, an institution can plan mobilization and utilisation of resources.

(ii) Departmental/Programme Level Cost:

The programme/ departmental cost per student can be calculated for teaching as well as research. Departmental teaching cost is obtained by dividing the total of salaries of teaching and teaching supporting staff, teaching inputs and maintenance costs, etc. by the total number of students. While doing so there is a need to apportion costs, for all the heads, for teaching and research activities.

Faculty-wise Cost per Student

While calculating per student cost of each department, one can also estimate per student cost of a faculty. Faculty cost is worked out by dividing the sum total of teaching expenditure of all the departments in the faculty and proportional expenditure on academic services, student welfare activities by number of students in the faculty, and adding the per student administrative cost to the same.

The unit costs provide a basis to education administrators to rationally allocate resources for different heads of expenditure and evolve mechanisms for additional resource mobilization. It forms basis for fixing the rational fee structure.

Demand Oriented Pricing

Besides Cost-oriented pricing, the demand orientation is also considered in respect of select courses while fixing the fees.

The level of demand for a particular service offering will be a key influence on pricing decisions. Demand levels may vary for a number of reasons:

- economic conditions and trends in consumer spending

- the stage in the life cycle of a service
- seasonal variations
- level of marketing and promotional effort
- degree of substitutability of the service.

The key task is to forecast levels of demand and potential demand, taking price into account. The demand for some goods and services will go up and down in line with price increases and decreases, whereas the demand for other types of goods and services will remain more or less constant. Price elasticity of demand represents a measure of how sensitive demand is in relation to changes in price.

For instance, the fee structure for all information technology courses, management programmes, bio-technology courses etc. are fixed basing on the demand.

Competition Oriented Pricing

Competition-oriented pricing occurs frequently in markets which are very price sensitive and where the core benefits sought are largely similar. The fee structure tend to be set at more or less the same level between the main education institutions to survive in the market. Institutions operating competition-orientated pricing strategies will tend to attempt to influence consumer preference through other elements of the marketing mix such as service quality.

There may even be very valid reasons for choosing to set a price considerably higher than the main competitors if the service offered is of a much higher quality, or provides additional benefits. All marketing mix elements are interdependently linked, and price determination will take into account many factors besides competitor pricing. The key issue, however, is to analyse competitor pricing relative to the institution's own pricing strategy and that of other competitors.

In education marketing due to large number of education institutions, for instance the self-financing engineering colleges while fixing the fee structure

carefully watches the fee structure of competing institutions and accordingly fix their fee structure to attract more number of students.

Skimming Pricing

Skimming pricing aims at high price and high profits in the early stage of marketing the service product. As the word skimming indicates, this method literally skims the market in the first instance through high price and subsequently settles down for a lower price. In other words, the method profitably taps the opportunity for fixing higher fee structure to those segments of the market which do not bother much about the price. The method is very useful in the pricing of new service products, especially, the ones that have a luxury or speciality element.

For instance, the education institutions fix higher fee structure for newly developed or technically advanced courses like Bio-technology, Bio-informatics, International Business etc, since they expect high demand at the time of introduction. When the demand decreases they never hesitate to reduce the fees.

Penetration Pricing

Penetration pricing, as the name indicates, seeks to achieve greater market penetration through relatively low prices. It is the opposite of skimming pricing. This method too is quite useful in pricing of new service products under certain circumstances.

In marketing of education services, penetration pricing policy is adopted wherein for a new academic programme, the fee structure is fixed at a lower level, so that they will be able to attract more number of learners. When the demand increases, the fee can also be increased. So this way, the education institutions penetrate into the market for their new programmes.

The education institutions could choose either the skimming strategy or the penetration strategy, depending upon the nature of the academic programmes and the marketing context involved.

Differential Pricing

Another form of promotional pricing of particular concern to service marketers is differential pricing, where different prices are charged for the same service to different customers. This tactic is used to attract particular groups of customers to make up demand.

To motivate the staff of the institution, to upgrade their knowledge and skill, a certain percentage of concession in fees is extended to them. Also some education institutions extend fees concession facilities to the wards of their staff and to the regular students if they undergo any part-time courses in the same institution.

Prestige Pricing

The pricing at above the going market price on the basis that many buyers regard price as an indicator of quality and so will perceive enhanced quality to products with higher than usual prices. In such cases sellers will be able to ask prestige prices for products which have distinctive brand names and reputation.

The reputed education institutions like IITs, IIMs etc. fix higher fee structure, since the learners consider that it is prestigious to study in those institutions.

Regulatory Pricing

There are also occasions where the Government regulates the fee structure for certain programmes. For instance, for B.Ed. and B.E. Programmes, the Government offers guidelines for fee structure or fixes on its own. Similarly, the Government offers fees concession for handicapped candidates. For the upliftment of socially backward students, the Government reimburses their cost of education by providing scholarship.

The education institutions should exercise utmost care in fixing their fee structure. The students must be able to get due academic returns in proportion to the fee which they paid.

EDUCATION SERVICE DELIVERY

Decisions regarding service locations and channels have an important place in decision areas. Location and channel decisions are essential to consider how and at which place the services can be delivered to the customer. They become more relevant to services as they cannot be stored and mostly are produced and consumed at the same point. The environment in which the delivery of service takes place and the manner of its delivery are importan' attributes of the service when its value is perceived.

Service characteristics make generalisation of place strategies difficult. The intangible nature, inseparability, nature of interaction between the service provider and its customer, a decision as to adopting single or multisite locations or outlets are all involved in delivery of services.

Service marketers are expected to seek and develop appropriate delivery approaches. Location and channels are considered to be two important issues in developing delivery approaches.

LOCATION

Service location is an important consideration in place strategy. A service firm should decide where its operations and staff are situated because if they are not conveniently located the customers may turn to rival service provider who, in their perception, are conveniently placed. So the type and degree of interaction is an important factor involved in the location of services. Depending upon the nature of the service, the customer may go to the service provider, or the service provider may go to the customer.

The education services should be offered at the right places which are easily accessible. The various issues under place mix in education are:

- Nearness
- Admission through convenient centers
- Examination at convenient places
- Teaching department at suitable places
- Convenient timing for classes

- Easy access to faculty after class hours
- Conducive environment
- Transport facility
- Canteen facility
- Hostel facility
- Laboratory facilities
- Library facilities
- Good lighting arrangement during evening classes
- Clean drinking water and toilet facilities

CHANNELS

A channel may be simple when there is a single, direct transaction between service provider and consumers. Since the service providers themselves are often service delivery channels, selection of any intermediate and appropriate delivery channel is very important. The options for doing so are limited to *franchise, off-campus centres and electronic channels*. For example, if a franchised delivery system is selected, then the choice of the franchisee is greatly important to ensure the quality of the services.

Education service providers depend on their franchisees to deliver service to their specifications. It is in the execution by the franchisee that the learner evaluates the quality of the Institution. Education service providers design the systems and standards for delivery to be executed by the franchisees.

KEY INTERMEDIARIES FOR SERVICE DELIVERY

Education services can be distributed to the end-customer through franchisees, off-campus centers and electronic channels. These type of intermediaries in service delivery is mainly followed by the institutions offering Open and Distance Learning (ODL).

Franchisees are service outlets licensed by a principal to deliver a unique service concept it has created or popularized. *Electronic Media* include all forms of service provision through television, telephone, interactive multimedia

and computers. *Off-Campus Centres* are representatives who distribute and sell the services of one or more service providers.

Franchising

Franchising is the most common type of distribution in education services. A more formal definition of franchising, established by the industry association, the International Franchise Association, states that it is —

> "A contractual relationship between the two parties in which the franchiser offers or is obliged to maintain a continuing interest in the business of the franchisee in such areas as know-how and training; wherein the franchisee operates under a common trade name, format or procedure owned by or controlled by the franchiser, and in which the franchisee has made or will make a substantial capital investment in his business from his own resources."

Franchising works well with services that can be standardized and virtually duplicated, typically through the delivery process, service policies, warranties, guarantees, promotion and branding. The more complex and professional the service, such as education, the less likely it is that services will be duplicated exactly the way the franchiser desires. At its best, franchising refers to a relationship or partnership in which the service provider — the franchiser — develops and optimizes a service format that it licences for delivery by other parties — the franchisees. Both parties agree on how profits and risks will be determined.

Benefits of Franchising for the Franchiser

1. ***Leverages the business format to gain expansion and revenues.*** Virtually all education institutions that seek to franchise their education service, do so because they want wider distribution than they can support in institution outlets. The reasons they desire wider distribution are to increase revenues, gain larger market share, obtain greater institution reputation, and gain additional economies of operation.

2. ***Maintains consistency in outlets.*** When education institutions have unique academic programmes, they can require franchisees to deliver services

according to their specifications. The franchiser can stipulate virtually all aspects of service delivery of education.

3. ***Gains knowledge of local markets.*** With franchising, the education institution obtains personal knowledge about local markets.

4. ***Shares financial risk and frees up capital.*** Franchisees must contribute their own capital for equipment and personnel, thereby bearing part of the risk of delivering service.

Off-Campus Arrangements

Under the off-campus arrangement, the main service provider identifies the institutions that offer more specialised programmes, enters into an arrangement with them to train their students to enable them to get specialised knowledge from those institutions. Those specialised institutions have necessary infrastructural facilities and highly competent faculty to offer such programmes. Such Off-campus centres are given legal authority by the main service provider to offer such specialised courses as per the regulations and norms prescribed by them.

ELECTRONIC CHANNELS

Electronic channels are the only distributors that do not require direct human interaction. What they do require is some pre-designed service (almost always information, education or entertainment) and an electronic vehicle to deliver it.

Video Dial Tone (VDT) is the term used by telecommunication companies to describe full-motion video that is delivered on a switched basis. Some of the newer ways in which sound, video and information are transported directly to service customers are through the Internet, Satellites and Computers. And the customer and business services that will be made possible through these vehicles include movies on demand, interactive news and music, banking and financial services, multimedia libraries and data bases, distance learning, desktop video conferencing, remote health services and interactive, network-based games.

The more a service relies on technology and/or equipment for service production, and the less it relies on face-to-face contact with service providers, the less the service is characterized by inseparability and nonstandardization.

Benefits of Electronic Channels

1. ***Quality Control:*** In most cases, the channel in electronic distribution does not alter the service as channels with human interaction tend to do. Unlike personal delivery, electronic delivery does not interpret the service and execute it according to that interpretation. Its delivery is likely to be the same in all transmissions.

2. ***Low Cost:*** Electronic media offer more efficient means of delivery than does inter-personal distribution.

3. ***Learner Convenience:*** Learners are able to access the services when and where they want. For the education institution this allows access to a large group of learners who would otherwise be unavailable to them because their schedules do not allow them to visit service outlets.

4. ***Wide Distribution:*** Electronic channels can allow the service provider to interact with a large number of learners. They also allow the education institution to interact with a large number of their franchisees.

5. ***Learner Choice:*** The learner will be in control of the process.

Challenges in Distributing Services through Electronic Channels

- ***Lack of Control of the Electronic Environment:*** It did not take long for the internet to face the challenges of unregulated media. As soon as the network became popular, pornographic and other controversial material started to appear. When a education institution's advertising or information appears in proximity to such material, the result will be negative.

- ***Inability to Customize:*** In mass sections, one cannot interact directly with the faculty, who is delivering lectures.

- ***Learner Involvement:*** Many times the learner produces the service theirself using the technology. Unless the technology is highly user-friendly, learners

may be reluctant to try it or to continue using it if it requires ongoing education.

- *Security:* One issue confronting marketers using electronic channels is security of information, particularly highly sensitive academic information.

THE ROLE OF IT IN EDUCATION

Information technology is providing just incremental improvements so far. In the future, our lives and livelihood will be substantially transformed by IT devices. In PC-based learning, for instance, IT will be a powerful 'though support' system, when compared to a textbook or a lecture, in view of the following features: multimedia, interactivity, swift feedback and feeling of control. New technology by itself may not be sufficient to improve education, but appropriate technology will help teachers to do a better job. An educationist has said: "The textbook is the wrong medium for college today; I call it pedagogic polyester. These days the world changes every six months, and the textbooks come out every three to four years. The technology is now in place to keep up with change, but textbooks can't do it".

The Role of Computers in Education

There appears to be a niche for computers in education, arising out of its unique features, and a set of do's and don'ts for employing them in this role:

- Computers are generally good for educational activity which requires significant interaction, as, for example, games and simulations. Hence, instructional SW should be highly interactive. Interactive learning environments are called 'Intelligent Tutoring Systems'.

- Due to their interactive capability, computers are well-suited to provide individualized and self-paced instruction.

- The instructional materials may be customized to meet various student needs, as for example, to cater to the students with diverse backgrounds or ability levels. Thus Computer Assisted Learning meets the needs of both formal education and continuing education.

- Computers are particularly good for explaining complex processes and interactions, through the use of animation and graphics, and possessing the capability of changing the values of parameters and observing the effects.

- Computers are well-suited for teaching problem-solving and decision-making skills.

- Computers should not be employed for replicating what other media can do better. For example, video is good for showing real, dynamic sequences, and printed matter is best for presenting a lot of text or graphical information. Thus, computer screens should not be designed to resemble printed pages, and animation should not be employed as a substitute for video sequences.

- Computers should be 'seamlessly' integrated into the general educational process. The presence of the computer interface should not be an irritant to learning, by requiring considerable efforts in utilizing it.

- Computer Assisted Learning is not a replacement technology, but a complementary tool. The triangular student-computer-teacher collaboration and cooperation, with the involvement of Teacher as a mentor or guide, is essential for achieving optimal learning.

- The computer is not the panacea for all problems in education/ during the coming decade, just as TV-based education (or instructional TV) was not the answer to all pedagogical problems in the 70's and 80's.

- The computer, of course, cannot be blamed for the unwarranted expectation that it would make learning 'easier'.

ONLINE EDUCATION

Online education is the learning at a distance through the use of computers. However, as Jegede points out, online learning has not been properly defined or understood by practitioners of e-learning. A University of Illinois Report defines 'online instruction' as "teaching and learning mediated by a computer" but adds the proviso that there has to be a "connection to a

computer system at a venue distinct from a learner's personal computer". Computer aided learning using a CD-Rom is, by implication, not online learning, nor is learning through radio and television broadcast or telephone supported distance learning.

Online education is primarily Internet based. Generally the world wide web (www) is the main communication tool though other un-integrated media like the e-mails, are also used. Online learning may involve two distinct forms, namely, resource based learning that is electronically delivered, and 'virtual classroom' learning using computer-based synchronous and asynchronous conferencing. Online learning makes use of computer-mediated communication (CMC) including e-mail, computer conferencing, online databases and file transfers. Kaye suggests that CMC-based online education constitutes a new educational paradigm. It preserves what is valuable in face-to-face learning while liberating the learning from time-based and place-based constraints. To quote him "online learning has unique attributes even though it shares some of the attributes of place-based education (notably group interactivity) and distance education (notably freedom from time and place constraints). CMC has the potential to provide a means for weaving together of ideas and information from many people' mind, regardless of when and from where they contribute".

Stephenson while reviewing the emerging pedagogy for online learning, points out that its features, which should be of particular interest to teachers and learners, are:

- Easy access to large volumes of diverse learning resources, to other sources (including non-education sources), and to tutors, mentors and experts.
- Dialogue (teacher-student, student-student, group) in real time (synchronous) and over a period (asynchronous).
- Ease of navigation to different sources and persons according to interests and needs.
- Faculty for logging and tracking of activities and routine recording of all transactions.
- Choice of learning styles.
- Linkages to other media including video, radio and TV.

- Multiple levels of engagement (via navigation buttons) to different depths of understanding, different volumes of data, and different difficulty levels, according to interest of capacity of learners
- Opportunities for working 'live' in collaboration with others from anywhere in the world.

In brief, online education is the newest form of education which has given added flexibility to courses and programmes. However, the key to online learning is the availability of computers and access to the internet.

There are other aspects of online learning that need to be considered.

- It is not cheaper than face-to-face teaching.
- For most people it is a one-way delivery of material unless he or she can develop online interrelationships (as by computer conferencing).
- Not everybody is temperamentally suited for it.
- The courses are usually hierarchical and linear with hypertext in the form of a series of chunks; and
- Effective online teaching requires a variety of media.

Methodologies of Online Education

Online education can be delivered in various ways including e-lectures, computer conferencing, online debates and role-plays. Of these, only the first two are relevant in the Indian context. While e-lectures essentially imply individual learning with some interactive learning, computer conferences by and large project collaborative and interactive learning.

E-Lectures

Alexander and Boud point out that the earliest form of e-lectures was the reproduction of lecture notes on a web-site in the form of text, audio or video. The main function was to expose the learner to a body of information. However, as knowledge transmission alone does not constitute learning, it is now considered necessary to add activities that promote thinking and reflection and help build a bridge between what the learner knows and what is given in the e-lecture. It is, therefore, necessary that text in the standard linear form be

interspersed with hypertext (a collage of several texts on the computer screen) that helps to improve the users ability to find and use information. The most important contribution of an e-learning teacher is the designing of appropriate activities. These include completion of knowledge-based assignment, finding solution to life-related problems and devising (and solving) self-tests.

Computer Conferencing

The main objective of a conference is to provide a forum for an exchange of information and ideas. With the provision of adequate software it is possible for a group to have such an exchange. Online discussions can take place between small and large groups with coordination being provided by a moderator. The role of the moderator is critical and he has not only to provide intellectual inputs but also to organise a network for the participants. As a moderator the teacher is a facilitator with the primary role of guiding and supporting the learning process.

Significantly computer conferencing promotes interaction amongst learners – a feature which is lacking in most traditional classrooms. It enables spatially separated learners to exchange ideas and information, collaborate, explore diverse pathways and develop individual learning styles.

REVIEW QUESTIONS:

1. State the factors influencing the fee structure in an educational organisation.
2. Explain how unit cost is assessed in education.
3. Examine the application of pricing objectives while fixing the fees.
4. Discuss the various issues under place mix in education. Who are the intermediaries in service delivery?
5. Write a note on use of electronic channels in education.
6. Discuss the role of IT in education.
7. Write a note on online education.

UNIT – IV

PROMOTION OF EDUCATION SERVICES

Effective communications are needed to inform customers about their role in the service delivery process. The highly competitive marketplace for both commercial services and increasingly, services in the not-for-profit and charitable sectors has led to advertising playing a major role in services marketing today.

INTERNAL / EXTERNAL COMMUNICATIONS

All organisations need to communicate with their customers (both internal and external) at various times and for a variety of reasons. Often, communications are also directed towards other groups such as the organisation's publics — local authorities, government bodies, shareholders, community and pressure groups, for example. Communications can be viewed as the transmission of information. Service organisations may need to communicate information for various purposes:

Externally

- ➢ to inform the target markets about current and new service offerings and benefits
- ➢ to educate customers
- ➢ to persuade existing and potential customers to buy
- ➢ to remind customers about the service and where it is available
- ➢ to publicise policy decisions, for example about environmental issues
- ➢ to make public announcements.

Internally

- ∗ to inform employees about changes in the organisation
- ∗ to communicate plans and programmes effectively
- ∗ to keep all employees informed about company performance
- ∗ to publicise incentive schemes and other events
- ∗ to inform and educate employees about new products and services
- ∗ to disseminate marketing intelligence within the organisation

The above lists illustrate a variety of reasons why organisations need to communicate both internally and externally. Different forms of communication will be used to meet the different information needs of organisations and to find the most appropriate means of transmitting the information effectively.

Promotion is a set of activities designed to increase purchases by consumers and is the means through which the service provider communicates with his target market. The promotion of services cover a number of areas or promotional tools which form the communications mix or promotions mix. The usage of promotion tools are not uniform in all the sectors.

The use of promotional tools in service sector is a comparatively recent aspect. Now, the fiercely competitive environment has made the service marketers use promotional tools actively. A communication programme for a service organization may consist a wide variety of alternative communications and promotion tools. To communicate the target markets by promotion the various elements of the communication mix must be integrated within the promotion and communication programme. This process involves many tasks among which the following are considered important.

(a) Identification of target audience,

(b) Determination of promotion objectives,

(c) Selection of communications mix.

An institution should adopt an approach by which the wider expectations of the customers can be met and different promotional tools should be employed to assist the target clientele (Bandhu 1995b). The promotion mix variables are:

- Sufficient information before admission
- Advertisements in widely circulated newspapers
- Fair and honest advertisements
- Adequate and timely advertisements
- Timely availability of syllabus and information brochure
- Sufficient and timely guidance and counselling
- Learning materials

- Behaviour of officials of the institution
- Competence of teaching faculty
- Favourable attitude of friends and relatives towards the institution
- Highly motivated teachers
- Timely correspondence by the institution
- Adherence of schedule of activities of the institution
- Comparatively best Institute in the region

The promotion mix include many elements. Important among them are advertising, personal selling, sales promotion, public relations and word of mouth.

Advertising

Popularisation of service is the basic aim of the advertising activity. Education advertising denotes the means employed to draw the attention of potential learner towards any academic programmes. Through an advertisement the education institution intends to spread its ideas about its service offerings among the prospective learners. The advertisement should capture the attention of its audience. To achieve this, the advertisement has to provide the audience the information that is of interest to them. It is also essential that the audience see the advertisement and interpret it in a way favourable to the advertiser. Further, the advertisement should also appeal to them and influence their attitude through process and purchase behaviour in favour of the advertised brand.

Advertising activities generally should be integrated with other elements of the communication mix. They should create a positive image to support the activities of the service institution's sales personnel so as to increase their prospects for sales to the customers.

There are several important issues in advertising. The most important are selection of media, determination of advertising goals and methods of determining the advertising budget.

Media includes radio, television, cinema, newspapers and periodicals, direct mail and outdoor advertising. In selecting the media, the characteristics of

the medium, atmosphere of the medium and the comparative cost are important factors.

Advertising goals are important to all advertising campaigns. The advertising objectives as they are generally referred to, should be explicit, commonly agreed, unequivocal, true, calibrated and testable.

Advertising budget or the advertising appropriation, as it is sometimes referred to, has many approaches. Some of them are:

(a) Advertising-to-sales ratio,

(b) Affordable method,

(c) 'Me too' approach where advertising corresponding to the level of the competitors is adopted, and

(d) Task approach.

Publicity

There is a dire need to make the publicity about the provision of education/ learning through such media that is easily accessible by the public at large. Knowledge and awareness about education programmes can be augmented through the use of a judicious blend of traditional and modern tools and techniques of publicity. Information technology can play a vital role in it.

Personal Selling

Personal selling is a broader concept and involves 'oral presentation in a conversation with one or more prospective learners for the purpose of enrolling them'. The purpose of personal selling is to bring the right services into contact with the right learners.

The education institutions engage public relation officers for contacting the potential learners individually and to induce them to get enrolled for various courses. The frequent and sometimes intimate contact provides a great opportunity to enhance the relationship between the institution and the learners.

Similarly, the teachers engaged should work just like sales representatives. They – being front-line managers – are in a better position to

promote the use of education. Their qualitatively superior service builds the image of the institutions. The demonstrations, games and contests conducted during their course of study have an impact upon the students. Various doubts in the mind of the students about the nature, scope and value of courses can be removed by dynamic and efficient staff of such institutions which in turn bring goodwill and reputation to the education system in general and to the concerned institution in particular.

Sales Promotion

Sales promotion includes any marketing activity designed to sell a product or service. It engages many marketing tactics like price deals, bonus offers, additional services and gifts.

Normally, sales promotion is used mainly in consumers goods marketing. But, now many service firms, including education services adopt sales promotion programmes.

Sales promotion is essentially a direct and immediate inducement that adds an extra value to the service product, so that it prompts the intermediaries, or ultimate consumers to buy the product. The Committee on Definitions of the American Marketing Association defines sales promotion as that, "it includes all those sales activities that supplement both Personal Selling and Advertising and coordinate them and help to make them effective, such as displays, shows and expositions, demonstrations and other non-recurrent selling efforts not in the ordinary routine'

In a competitive market, sales promotion comes handy to a marketer, to solve several of his short-term hurdles. Short-term because, the impact of sales promotion measures are not that durable and lasting like the results obtained through Advertising and Personal selling. Sales promotion by and large is understood and practised as a catalyst and as a supporting facility to Advertising and Personal Selling.

For a marketer resorting to sales promotion, a variety of tools and techniques are available. Sales promotion letters, catalogues, point of purchase displays, customer service programmes, demonstrations, free samples, discounts,

contests, exhibitions, premiums and coupons are the commonly resorted methods of sales promotion.

Information Brochure

Information brochures gives essential information about the Programmes offered by the institution. The duration of each course and the eligibility criteria for taking up the course are also provided, which may induce the prospective learners to take up suitable course of study.

Fee Concession

The fee concession given to the students and the staff of the institution acts as a motivating force for the employees to take up academic study.

POP/ Display

Point of Purchase Promotion (POP) is one of the most widely used sales promotional tools. The institutions adopt mobile wobblers, skillfully designed and strategically located display units to attract the potential learners. They also use window displays and counter displays of promotional material for inducing the visitors.

Trade Fairs and Exhibitions

Trade fairs and exhibitions are extensively used as sales promotion tools. They provide the organisation with the opportunity of introducing and displaying their course offerings. This brings institutions services and potential learners in direct contact with each other. 'Seeing is believing' is a concept behind large scale exhibitions. Through these the essential details and guidance required by the learners are provided. Sometimes spot admissions were also made in the exhibitions, if the exhibitions are conducted during the admission period.

Public Relations

The Institute of Public Relations of England defines public relations practice as "The planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its publics". Publics include all the groups of people and organizations which have an interest in the

service organisation. So the employees also can be included. As publics are more diverse, public relations is essential to communicate with them. In this connection, public is concerned with many marketing tasks like -

(a) Building and maintaining image,

(b) Handling problems and issues smoothly,

(c) Reinforcing positioning,

(d) Influencing the public to a position favourable to the service provider and

(e) Preparing the public favourably while launching new services.

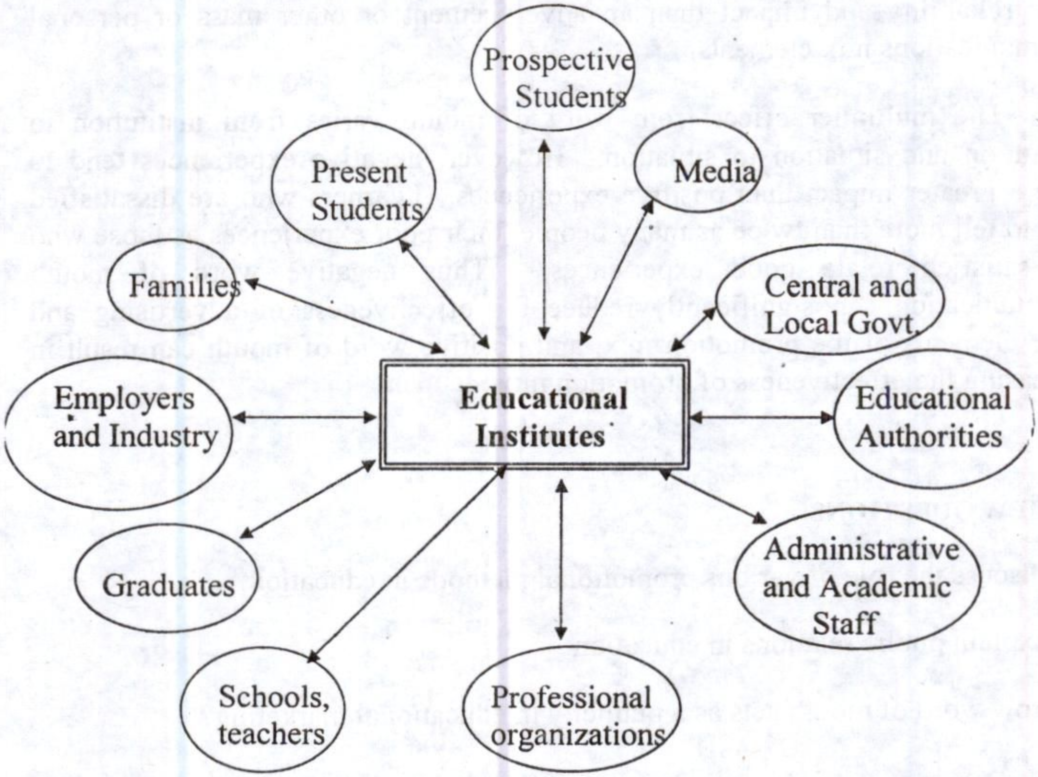
A public relations programme uses many tools. They include journals and other publication, media coverage with press conferences and speeches, sponsored visits and activities and interest group meetings.

A service organisation's 'image' is made up of the collective experiences, views, attitudes and beliefs held about it. Public relations can use a range of communications approaches to improve or maintain the image of a service organisation. Overall the objective with image is to ensure that an organisation is viewed more favourably, and is more familiar, than competitors in the market segments it serves.

A wide range of tools, normally used by the education institutions in the design of a PR programme include:

- Publications, including press releases, annual reports, brochures, posters and articles.
- Events, including press conferences and seminars.
- Exhibitions including exhibits, displays.

Fig.5.1: Public Relations in Education



Word of Mouth

One of the most distinctive features of promotion in service orgnisations is the greater importance of referral and word of mouth communications. Customers are often closely involved in the delivery of a service and then talk to other potential customers about their experience.

It is an interpretation of the effect of personal influence on the flow of mass communications, which, in service marketing applies to sources of information inducing potential customers for utilising a service. It highlights the importance of the people factor in services promotion.

Words of mouth is considered to be more effective than advertisements. Learners utilising a service talks to other potential learners about their

experiences with a particular educational institution. Such an endorsement has more reliability and impact than an advertisement or other mass or personal communications mix elements.

The multiplier effect from word of mouth varies from ınstitution to institution and situation to situation. However, negative experiences tend to have a greater impact than positive experiences. Learners who are dissatisfied tend to tell more than twice as many people, their poor experiences as those who are satisfied relate good experiences. Thus negative word of mouth communication can significantly reduce the effectiveness of advertising and other elements of the promotion mix, and positive word of mouth can result in increasing the effectiveness of promotion mix.

REVIEW QUESTIONS:

1. Discuss the role of various promotional methods in education.
2. Explain public relations in education.
3. How word of mouth acts as a publicity in educational marketing?

UNIT - V

PEOPLE IN EDUCATION SERVICES

The employees of the service organisations are in many senses an important part of the service product. They represent the fifth 'P' - People in the services marketing mix. People in service marketing mix applies not only to service personnel, but also recognizes the role that other people – the customers – play in service delivery. Sometimes the role of the customer is an important part of the service itself, as in education, for example, where the students must follow the learning programme where the benefit – can only be achieved through students learning. In many services like this, participation of some kind is essential to derive the service benefits.

Management of people within the organisation is a key task. The organisation's staff are its prime resource, and human resources management is the professional approach to finding and developing the right people. Central to successful service delivery is management of the customer/ provider interface. Employees need to understand their role in the service exchange, and human resources management provides the programmes and strategies to ensure the highest standards of customer care.

Customer perceptions of quality are frequently influenced directly by the actions of service personnel. Levels of satisfaction or dissatisfaction can be governed by the way in which personnel deal with the specific needs and requests of customers; by the steps taken by service personnel in the event that some aspect of the service goes wrong; and by service which goes beyond the customer's expectations, usually by the personal actions of an individual employee.

This important role played by employees in service organisations is critical to long-term success. The image of a service organisation is often indistinguishable from that of its employees. For this reason staff selection and training take high priority in service management.

As the value of staff rates so highly in service organisations, careful recruitment of the right kind of personnel is an important step. Internal marketing, recognizes that employees and potential employees are customers of the organisation's internal market and their needs and wants should be considered in the same light as those of external clients. Marketing activities should be aimed at these internal markets in the same way as when marketing to external clients.

Internal marketing can be defined as follows:

> "Treating with equal importance the needs of the internal market - the employees - and the external market through proactive programmes and planning to bring about desired organisational objectives by delivering both employee and customer satisfactions."

Kotler says that, "if the service personnel are cold or rude, they can undermine all the marketing work done to attract customers. If they are friendly and warm, they increase customer satisfaction and loyalty". There are many examples of services failing or succeeding as a consequence of the ineffective or effective management of people. Hence, the importance of people within the marketing of services has gained much interest in internal marketing.

Internal marketing is a means of involving staff at all levels in effective marketing programmes by enabling them to understand their role within the marketing processes. Internal marketing programmes consist of training and staff development, effective internal communications and integration schemes, designed to enhance knowledge and understanding of the overall marketing orientation within the organisation.

Learners' service is the critical element in education service and it is one of the most crucial aspects of an education institution's competitive advantage. The employees personal appearance and their attitudes and behaviours all influence the learner's perceptions of the service. It is desirable for the employees of the education institutions to have the following skills or attributes:

- A belief in their service and what they are trying to achieve
- A clear understanding of their organisation's overall aims and objectives
- An ability to assemble and interpret information for the benefit of the learner
- Good communication skills, both oral and written
- Enthusiasm and commitment; and
- An ability to take criticism.

No doubt many of these attributes are very much needed for the successful education providers, and a newcomer to marketing concept realises very quickly that the marketing abounds wonderfully commonsense and those concepts which are put into work.

The success of marketing a service is tied closely to the selection, training, motivation and management of people. In order to maintain the uniformity in the quality and significance of courses, a suitable and committed human resources are to be recruited who cannot only serve the qualitatively superior service to the learners but also motivate them through effective method of presentation including the effective use of audio-visual aids etc. In this connection, education institutions are also advised to motivate their teaching faculty to make the academic programme student oriented.

Therefore, a conducive environment in education institutions needs to be evolved by making teaching job more attractive and responsive not only to the students but equally to the teachers to enable them to give a due shape to the education package by building and planning a good course-mix.

PROCESSES IN EDUCATION SERVICE

The intangible nature of services mean that they are not bought and owned by consumers in the same way that physical goods are. A service is performed rather than handed over. The consumer receives benefits deriving from the service – a feeling of satisfaction after a good lecture. This means the performance process – the way in which the service is created and delivered – is an integral part of the service offering and the ultimate consumer benefits.

The processes by which services are created and delivered to the customer is a major factor within the services marketing mix. All work activity is process. Processes involve the procedures, tasks schedules, mechanisms, activities and routines by which a product or service is delivered to the customer. It involves policy decisions about customer involvement and employee discretion.

The importance of the actual process in service delivery has been recognised and developed as a tool for competitive advantage. Developments in technology have also helped revolutionise many processes in the home, in industry and in the services sector.

In designing the service delivery process, the steps required to deliver the service and provide the appropriate benefit satisfactions to the consumer can be 'mapped' or 'blueprinted' in the same way that flowcharts are used to denote all the decisions, alternatives and actions required to work successfully and carry out the tasks.

Sometimes, however, it should be noted that complete standardisation of the service delivery process is not the most desirable option either for the service provider or the consumer. In many cases, the personal element of the service which caters to customers' different needs is a key factor in differentiating a service from its competitors.

Some organisations choose to let their personnel have a certain amount of discretion to make decisions and take alternative actions to improve customer satisfaction. Traditionally this has been the prerogative of the senior manager who has been allowed to negotiate a waiver of bank charges, for example, or upgrade an airline seat or a hotel room to make up for some inconvenience

caused to the customer by the service provider. Recently, the rend has been to allow greater flexibility to all staff, empowering them to use their own judgement to make decisions which will enhance the service delivery process.

This 'empowerment' of staff is very much in line with much of people and is said to lead to better staff and customer relations and higher levels of service quality through employee pride in the job and the individual ownership of problems and shortfalls.

A level of built-in flexibility in process design can help achieve greater customer satisfaction and a higher quality service overall. Changing attitudes towards staff empowerment and the increasing sophistication of the consumer and their demands are not only the factors to have impacted on service delivery process.

If the education institutions function effectively with a well established administered systems and procedures, and empowered staff, it shall have a clear advantage over less efficient competitors.

STUDENT SUPPORT SERVICES

Student support services refer to any services other than the actual teaching/ learning material which an institution provides to its students. According to Limbadri, student support services include:

Administrative Support Services such as record keeping, information provision, admission and registration, library services and placement services.

Learning Process Support Services such as counselling, audio-visual instruction, electronic mail, student newsletters, hands-on practical, mobile learning centers.

Limbadri further elaborates that, student support services need to be provided to the learners because of the typical characteristics of the students, like their isolated locations, their diverse educational backgrounds, their economic social and occupational background. Because of these the education institutions

today are in a position to design suitable student support services to meet the needs and expectations of their students.

Choudhary points out that most important medium in education has been the printed mode. In some developed countries multimedia is used to present a course, like tele-conferencing and in other media – radio, TV, audio and video tapes and filmstrips are used to supplement the print material. At times special efforts are made to promote and motivate the learners. The recent development of communication technology has provided a wide choice to education institutions to integrate new media into teaching learning processes.

Types of Student Support Services

Broadly they can be divided into two groups which are as follows:

1. ***Administrative Tasks:*** The administrative tasks have the following sub-tasks:
    - Dissemination of information about the programmes and courses.
    - Distribution of application forms.
    - Registration of students.
    - Distribution of instructional materials.
    - Conduct of test and examinations.
    - Organisation of the assessment of answer papers.
    - Communication of the results of assessment.

2. ***Academic Skills:*** The academic skills include the following sub-skills:
    - Guidance about the types of programmes and courses available.
    - Counselling with regard to the students' aspirations and the suitability of the available programmes.
    - Advice regarding the sources of funding or concessions available.
    - Training in the techniques and skills conducive to self-study.
    - Well-planned teaching.
    - Assistance in examinations preparation.

- Provision of facilities to use audio and video programmes.
- Provision of library facilities.
- Facilities to perform practical tasks.

Types of Two-way Communication

With the advent of modern technology and telecommunication facilities the following two way interactions have become possible in terms of:

Course Material:

- Print material
- Audio cassettes
- Video cassettes
- Radic
- TV

Computers:

- Internet, Web
- Tele-conferencing
- Video-conferencing
- Audio-conferencing

Networking of Student Support Services

It is fact that the number of educational institutions are increasing. It is therefore, a tendency of collaboration or networking among these institutions in various fields of their activities. The networking system facilitates sharing information, resources, exchange expertise and operate in mutual cooperation. The educational institutions are making efforts to establish proper networking systems with other institutions at regional as well as international level. The Committee constituted by IGNOU in its report on networking of student support activities has identified the following areas:

1) Exchange of experiences between counsellors and coordinators by creating special facilities for counselling small groups of students.

2) Special counselling for brilliant and weak students.

3) Special counselling for students belonging to remote areas.

4) Common orientation programme for coordinators and counsellors where there is a similarity in course pattern and norms for counselling sessions etc.

5) Student and facilities like, stipend, scholarships, travel concessions, special assistance to handicapped students etc.

OUTSOURCING SUPPORT SERVICES IN EDUCATIONAL ORGANISATION

At the dawn of the new millennium the institutions of higher education cannot function in isolation. Liberalisation and privatisation may force them to go for drastic changes. The perennial financial crisis marked by government inability and apathy to support higher education in recent years have necessitated these educational institutions a totally new thrust of self-sufficiency, self-reliance and good governance. In the current globalisation, privatisation and era of subsidy – withdrawal, universities in India have to restructure their administrative activities to bring efficiency and effectiveness in their operations. In the changed environment, they cannot remain policy makers are constantly suggesting them to expand their revenue base. Accordingly, in many universities, tuition fees have been revised, examination fees are hiked, enrollment fees are increased, and donations are raised from alumni and big industrial houses. Further, in many places, surplus lands are rented and shops are constructed to get regular rent. The problem can be seen from a different angle. When we look at the cost pattern, we find that every Indian university is maintaining a very huge supporting and administrative staff. This is overburdening the finances and the system is becoming more inefficient and helpless day by day. For a better governance, the need of the hour is perhaps to outsource the support services in educational administration.

Outsourcing has become almost a global phenomenon. It is the practice of hiring the best human resource capability and skills by one organisation from another firm or agency who is considered to be the best in that job in order to complete the work that is important and must be done efficiently. It enables the organisation to make it free from repetitive, routine and administrative activities to concentrate on its core activities.

Through outsourcing, an institution makes itself free from several human resources functions like hiring to rewarding, managing peoples career to evaluation their performance and to train and motivate them. Therefore, outsourcing is establishing an outside partnership to do the peripheral activities and functions of the organisations. It enables a firm to reduce risks, save money, improve efficiency and get involved in its core business. It also improves speed, quality and confidentiality. Outsourcing any activities always provides access to new skills, fresh insights, and brings change in the realm of values and mind sets. Sometimes, it enables a firm to have access to the expertise not available inside. As the firm providing outsourcing services interact with many top-ranking organisations, it enables them to gain experience, build expertise, competency and customize their functions.

Health Services

In general, every university has a health center to provide the primary health care services to their students, staff and teachers at a subsidised rate. Depending upon the size of the university in terms of students, teachers and employees, each health centre has a building, one or more doctors, medical staff and ambulance van etc. Besides paying salary to these staff, the administration spends a lot for purchase of medicine, maintenance of the building, ambulance, purchase of their instruments and incurs other expenditure. However, the level of satisfaction which is expected from the health centre in a university by its users keeping in mind the cost incurred and the purpose for which the health centres are established in universities is very poor.

The hired services of good hospitals and experienced physicians may give better quality of treatment and facilities. This will establish confidence among the users of this facility in the university. Accordingly a list of such agencies should be identified and time-bound contract can be made with them. It can be

on the basis of annual or monthly payment or total number of patients served. In case the quality of services is found to be poor, or there is any better alternative available, there is always a scope to change for better. As a result, any time the university will be free from some of the recurring expenditures and will be free from managing routines and tension of the health center.

Gardening Services

Whether it is an old or a newly established university, in general, there exist a good number of gardens of which only a few are maintained gardens. The very purpose of making gardens has been to maintain the beauty of the university campus and to make it lively, green and attractive. Therefore, huge common garden, the garden at the teachers and staff residences, require the support and services of the gardeners. As a result, depending upon the areas covered in some places, hundreds of gardeners are there in the pay roll of the university. Besides a substantial amount for the gardeners' salary, a huge budget is made for the fertilizers, medicines and plant every year without much return. There is no much satisfaction with the quality of services, the way the gardens are adding to the misgovernance, in comparison to the cost involved. The common problems identified in this regard are:

- inadequate supervision and poor monitoring;
- unskilled people without any training, orientation and liking;
- non-availability of fertilizers, water supply facility and funds, whenever required;
- gardeners are often found either sit idle due to inadequate workload or they are deployed with some other works of the university.

Perhaps that is the reason for which this work has already been outsourced in many professionally managed educational managed educational institutions and business organisations and they are doing very well to maintain and develop gardens. Therefore this task may be entrusted to some outside private agencies at a lesser cost.

Security Services

For the security of the university premises, building and library, a large number of security staff are deployed by the universities. In comparison to other systems where the security staff is to be an ex-army man or the police personnel, in universities, all the unskilled and untrained people of different departments are put in the security departments. Security forces always require some special training and expertise to do their job efficiently. In universities, this work, however, is being entrusted to untrained chowkidars, and they are being provided a small stick and torch to perform this job. Even that is also not being provided to them by the supervisors. Monitoring of security services is very poor. The normal criticism which exist for the security services in universities are:

- the chowkidars do not have any impact without proper uniform;
- in night duties, they usually sleep for major portion of their duty time,
- responsibility is not specifically put on them;
- proper monitoring is not there;
- in case of theft, burglary etc., accountability is not being ensured.

As a large number of agencies are now available with professionally trained people to provide better security services at a relatively lesser cost therefore, it is advisable to hire guards on contract basis from professional security agencies to provide a safe environment in the university premises.

Cleaning Services

Hiring an agency to clean the building and offices has been a growing phenomenon in many other sectors and the report about that is very positive. The existing workforce is either underemployed or their services are not fully extracted. There is a common perception among the university administrators that the regular sincere employee who is engaged in cleaning activities works only for two to three hours while a person assigned this task on contract does the same work with a greater speed and efficiency. Major portion of the fault lies with the supervisors who rarely invest time to monitor the quality of these services. Looking into the size of the cleaning staff, their requirement of

services for an hour or so and their underemployment in the remaining part of the day and the cost involved for their salary and cleaning materials; it is advisable for the universities to go for outsourcing of these services. Outsourcing will certainly reduce the botheration of close monitoring and review as well as a clean and hygiene environment in the university.

Maintenance Services

University engineering section normally handles maintenance services with the help of their carpenters, plumbers, electricians, masons etc. They also hire gangmen for white washing purposes. Developmental projects are also monitored and reviewed by them. A few areas of concern in this field are:

- untrained and unskilled staff to handle the work of varied nature;
- perform 30 to 40 per cent of their output;
- show more interest in private activities;
- they have to remain idle when university is not in a position to provide basic materials for routine maintenance.

These days, buildings of education institutions are given to some of the government agencies like PWD, Vikas Pradhikaran and Housing Board on contract basis.

Transportation Services

Universities maintain a sizable fleet (jeeps, buses, cars and trucks etc.) of vehicles meet their transportation requirements. The operating cost per kilometer of these vehicles includes fixed charges, running charges, operating charges which are very high. The cost regarding maintenance of vehicles, consumption of fuel and payment of regular salary and incentives is also very high. The cost regarding maintenance of vehicles, consumption of fuel and payment of regular salary and incentives is also very high. Further complications are expected in monitoring their availability and movements.

Subcontracting of these services is not uncommon today. In several industries and academic and commercial institutions even the car of CMD is also

acquired on a monthly contract basis wherein only fuel charges is born by the hirer. Accordingly, rates may be fixed on per-kilometer basis.

Printing and Photocopying Services

Outsourcing the printing and photocopying services is the most acceptable proposition in universities when a university runs its own press. Complaints regarding the quality of printing and delay are quite common. Non-availability of proper ink, typing facility etc. are the common complaints made by the work force about the press. This puts performance of workforce about the press. This puts performance of workforce idle. Therefore these printing services need to be outsourced from private printing press. There are price and qualities are negotiable.

Mess Services

Provision of kitcnen utensils and fuel for guest houses and hostels has become a source of cost leakage. Students are not happy with the quality of food as well as services provided by the cooking staff. The leave problems of employees and preservation of utensils and cooking gas further complicates the problem of monitoring the system in the hostel. Therefore both the hostel and guest house can be given to private contractors. In case any support is needed, some special amount of subsidies may be given to the contractor to provide the services at a lower cost.

If these services are outsourced, the university administration will have following benefits:

- more efficient quality of service;
- lesser burden of permanent workforce;
- simplified organisation structure wherein all supporting services can be out sourced;
- lesser burden of the control;
- controlling cost leakage.

The university needs to maintain a cell to monitor these outsourcing agencies, which need to be honest, sincere and efficient. Test checking of services by higher authorities will further improve the services. Change is to be brought slowly. Initially the areas where fewer people involved needs to be outsourced. There is need to take a bold initiative. Now, the time has come for bold initiative of outsourcing to make these institutions of higher learning efficient, competitive and better managed.

PHYSICAL EVIDENCE IN SERVICE

The environment in which the service is delivered and where the firm and customer interact, and any tangible components that facilitate performance or communication of the service is known as physical evidence in service.

Services which are highly intangible, such as education, consultancy and financial advice are more difficult for the consumer to assess. In the absence of actual goods or products about which the customer can make judgements relating to quality and value, for example, the consumer will look for other ways of evaluating the service. Corporate image and corporate identity play a key role in consumer perception.

Corporate Image

The image which organisations present to the world at large is made up of many different elements. Its reputation as an employer and its approach to social responsibility issues are examples of the factors which influence consumer's subjective and objective judgements about an organisation. These factors are often of equal importance in forming consumer attitudes and judgements as more obvious ones such as service quality, value for money, guarantees and luxury decoration.

Image is, however, difficult to define as it is based on an individual's perception of the message and signals reaching them concerning a particular service or organisation. It is therefore of vital importance that organisations ensure that the messages, information and signals which they send out are consistent with the organisation's objectives and are positive and constructive at

all times to protect the integrity of brand and corporate image. In order to do this, all the elements which make up the organisation's image should be managed as effectively as possible. This is also vital in terms of the association between corporate image and the concept of corporate identity.

Corporate Identity

One way in which organisations attempt to reinforce all the messages, signals and impressions which customers receive is the establishment of a strong and positive corporate identity. Corporate identity goes beyond corporate image in that it builds a distinctive and recognizable physical identity for the organisation. Corporate identity tangibilises corporate image by linking the values, benefits and qualities of the organisation's image with identifiable physical attributes such as brand names, logos, staff uniforms, house-styles and consistent standards.

Many organisations use corporate identity as a unique selling proposition in promotional strategy. This can be a powerful tool for differentiation, particularly when brand and/or corporate identity recognition is very strong.

The physical evidence of service includes all of the tangible representations of the service such as brochures, letterhead, business cards, report formats, signage, and equipment. In some cases it includes the physical facility. Physical evidence cues provide excellent opportunities for the firm to send consistent and strong messages regarding the organization's purpose, the intended market segments, and the nature of the service.

This is the service firm's physical environment where the service is created and where the service provider and customer interact, plus any tangible elements that are used to communicate or support the role of the service. In a service business, the marketer should seek to compensate for the intangibility dimension by providing physical clues to support the positioning and image and enhance the product surround.

Physical evidence can be divided into two types – ***essential*** and ***peripheral***.

Essential Evidence

The quality and standard of the essential evidence will be a major influence in the customer's purchase decision. Hence essential evidence is integral to the service offering and includes, admission card, identity card, mark statement, degree certificate, transfer certificate etc. issued to the students.

Peripheral Evidence

Peripheral evidence includes those items which confirm the service, and also includes items which are complementary to the service itself. This means that the service can be performed without these items but they enhance the organisation's identity and can help make the customer's experience more enjoyable or positive. For example, identity cards with lamination, degree certificates issued in attractively designed folders etc.

Physical evidence, in its many forms, will help the potential customer or user to evaluate the service offering. The customer's overall judgement of service quality can be an evaluation of both the process and the outcome, compared with the customer's own expectations and desired benefits. Their impression of quality will always be subjective and based on their individual perception of the physical evidence and other elements of the service offering. This leads to an important idea in assessing quality form a services marketing perspective.

Perceived service quality represents the customer's judgement of an organisation's service based on their overall experience of the service encounter. A number of key criteria are used to make this judgement and the following list of examples shows clearly the importance of physical evidence and the service delivery process itself:

People: Credibility, professionalism, efficiency, courtesy, approachability, accessibility, appearance, communications skills.

Physical Evidence: Appearance of tangible aspects of the service, physical surroundings, smartness.

The relative importance of the customer's perception of both essential and peripheral evidence in evaluating service quality has been highlighted but the impact of the service delivery process should also be considered. Customers are frequently active participants in the service process – they co-produce the service – so this must be taken into account in planning and management.

These seven elements of the services marketing mix interact with each other. They should be developed in a mutually supportive manner to obtain the best possible match between the internal and external environments of the education organisation. At the same time each marketing mix element has an impact on the market segments selected ensuring that there is a fit between the marketing mix and each target segment; a fit between the marketing mix and the institutions strategic capabilities, emphasizing its strengths and minimizing the impact of its weaknesses; and a recognition of competitor's capabilities, which involves evading their strengths and capitalizing on their weaknesses. So an effective marketing plan outlining the marketing mix strategy has to be developed and implemented.

REVIEW QUESTIONS:

1. What do you understand by internal marketing in the educational context?
2. Bring out the importance of people mix in educational services.
3. What are the different types of student support services?
4. "The education institutions are moving towards outsourcing support services" – Explain.
5. What do you understand by physical evidence in the context of marketing of educational services?

UNIT-VI
SERVICE QUALITY

Service quality is the delivery of excellent or superior service relative to customer expectations. For customers, the quality of services have more effect on the decision making. This 'quality' in services is hard to define but can be assessed from a knowledge of the customer.

SERVICE QUALITY DIMENSIONS

Customers' assessments of quality include perceptions of multiple factors. For example, it has been suggested that the following eight dimensions of quality are applied to all goods and services: performance, features, reliability, conformance, durability, serviceability, aesthetics and perceived quality (roughly equivalent to prestige).

Other researchers have found that consumers consider five dimensions in their assessments of service quality, as follows:

- ❖ ***Reliability:*** Ability to perform the promised service dependably and accurately.
- ❖ ***Responsiveness:*** Willingness to help customers and provide prompt service.
- ❖ ***Assurance:*** Employees' knowledge and courtesy and their ability to inspire trust and confidence.
- ❖ ***Empathy:*** Caring, individualized attention given to customers.
- ❖ ***Tangibles:*** Appearance of physical facilities, equipment, personnel and written materials.

These dimensions represent how consumers organize information about service quality in their minds. On the basis of exploratory and quantitative research, these five dimensions were found relevant for education, banking, insurance etc.

Reliability: Delivering on Promises

Reliability is defined as the ability to perform the promised service dependably and accurately. In its broadest sense, reliability means that the company delivers on its promises — promises about delivery, service provision, problem resolution and pricing. Customers want to do business with companies that keep their promises, particularly their promises about the core service attributes.

Responsiveness: Being Willing to Help

Responsiveness is the willingness to help customers and to provide prompt service. This dimension emphasizes attentiveness and promptness in dealing with customer requests, questions, complaints and problems.

To excel on the dimension of responsiveness, a company must be certain to view the process of service delivery and the handling of requests from the customer's point of view rather than from the company's point of view.

Assurance: Inspiring Trust and Confidence

Assurance is defined as employees' knowledge and courtesy and the ability of the firm and its employees to inspire trust and confidence. This dimension is likely to be particularly important for services that the customer perceives as involving high risk and/or about which they feel uncertain about their ability to evaluate outcomes, for example, education, banking, insurance, medical service etc.

Trust and confidence may be embodied in the person who links the customer to the company, for example securities brokers, insurance agents, lawyers, counselors. In such service contexts the company seeks to build trust and loyalty between key contact people and individual customers.

Empathy: Treating Customers as Individuals

Empathy is defined as the caring, individualized attention the firm provides its customers. The essence of empathy is conveying, through personalized or customized service, that customers are unique and special.

Customers want to feel understood by and important to firms that provide service to them. Personnel at small service firms often know customers by name and build relationships that reflect their personal knowledge of customer requirements and preferences. When such a small firm competes with larger firms, the ability to be empathetic may give the small firm a clear advantage.

Tangibles: Representing the Service Responsibility

Tangibles are defined as the appearance of physical facilities, equipment, personnel and communication materials. All of these provide physical representations or images of the service that customers, particularly new customers, will use to evaluate quality. Service industries that emphasize tangibles in their strategies include hospitality services where the customer visits the establishment to receive the service.

The most relevant approach in defining and measuring service is the user-based approach. The idea that quality is subjective and will be strongly linked to the individual's needs and expectations recognises that consumers have different criteria for judging service quality. This user-based approach equates quality with maximum levels of satisfaction.

In measuring quality in this way, however, a distinction needs to be drawn between quality of service delivery and the service output, or benefit. The customer may be involved in the service production, thus impacting on the quality of the service delivery process. The actual output of the service may be judged by the customer in terms of their expectations of the outcome or benefit.

The customer's overall judgement of service quality can be an evaluation of both the process and the outcome, compared with the customer's own expectations and desired benefits. This leads to an important idea in assessing quality from a services marketing perspective: ***perceived service quality***.

Perceived service quality represents the customer's judgement of an organisation's service based on their overall experience of the service encounter. Understanding how customers arrive at this judgement — that is to say, how they decide whether or not they are satisfied with a particular service — is very important for services marketing management.

Research has indicated that consumers make these decisions using a number of key criteria to judge the service. These key factors relate to areas convened by the extended services marketing mix; people, process and physical evidence. They can be broadly categorised as follows:

People

- credibility, professionalism, efficiency, courtesy
- approachability, accessibility, good communications,
- identifying and understanding customers needs.

Process

- time-keeping, dependability, trusted performance levels
- promptness, efficiency.

Physical Evidence

- appearance of tangible aspects of the service
- physical surroundings, smartness.

This list illustrates some of the criteria used by customers in judging quality. Understanding the concept of perceived service quality is important for services marketing management.

DEVELOPING SERVICE QUALITY

The reasons why developing and delivering a quality service is so important can be broken into three main areas:

- Organisations with a reputation for consistently high quality can sustain an enviable competitive advantage in the service marketplace.
- Quality is 'free' — that is to say getting it right first time costs far less than providing remedies when services fail to meet the customer's required standard.
- Better quality services can attract premium prices. Consumers are prepared to pay a higher price for services that fulfill all their expectation criteria.

Each of the above reasons for putting quality first can have a direct impact on profitability. However, in terms of image and customer or user satisfaction, they are equally applicable to organisations operating in the not-for-profit sector.

Quality Assurance in Education

The concept of quality has been drawn from industry. Quality has been defined as "The totality of features and characteristics of a product or services that bear on its ability to satisfy stated or implied needs" (Bureau of Indian Standards, 1988).

Quality Assurance in higher education has been gaining considerable attention since the last two decades. The concern for quality in higher education is a result of the realisation on the part of educational institutions that in a highly competitive environment students can be attracted only by offering the best that is available. Moreover, University Grants Commission responsible for funding the higher educational institutions is insisting that these institutions should demonstrate their commitment to quality for getting financial help.

The Webster's Dictionary describes quality as, amongst other things, as 'a degree of excellence' and 'superiority in kind'. In reality it is a relative concept that means different things to different people (Sallis, 1993; Green and Harvey, 1993; Green, 1994). In the field of education, while discussing quality, the focus of students may be on the facilities provided, of teachers on the teaching/ learning process, of management and parents on the scores or grades achieved, and of prospective employers on the nature of the output.

Quality assurance has been defined by Green and Harvey (1993) as "those mechanisms and procedures designed to reassure the various 'stakeholders' in higher education that institutions accord a high priority to implementing the policies designed to maintain and enhance institutional effectiveness". Stated more simply "quality assurance is the achievement of desired standards through application of agreed procedures" (Calder, 1994).

Amstrong (1995), in the preface to his book, writes about quality assurance "Quality assurance is the function of the institution. This function entails obtaining information from staff and students, concerning quality

improvement, examining the results, providing resources and assistance, and planning for ways to encourage improvement and enhance the content of learning".

In nutshell, the quality concept in education at the macro level can be identified with the following:

1. Achieving the intended goals;
2. Satisfying the learners' need and expectations;
3. Continuously improving the performance in key areas; and
4. Total quality management encompassing all activities and functions.

Quality assurance has to be viewed as a continuous process of self and institutional development at each of the sub-systems as well as the system as whole.

Role of Education Management in Quality Assurance

Every institution or service provider must have a clearly defined roadmap that provides for quality control, quality assurance and quality maintenance. This three stage process can be best achieved only if the key constituents in institutions of learning, demonstrate and deliver the attributes necessary for implementing a total quality management system. In line with quality enhancement objectives, all the key attributes required by the management, administrative Head-cum-Principal and the teaching faculty for a successful quality assurance mechanism in educational institutions is listed below:

- Provide a clear vision and mission of the institutions and lead the entire team for fulfillment of the goal.
- Inculcate respect and adherence for "core values" of the organisation among members of the team.
- Provide an environment which celebrates Teaching, Learning and Research.
- Institute programmes that satisfy the diverse learning needs of the students.

- Build up structures (organisational), systems (good working procedures) and processes (actual delivery) that promote and recognise quality.
- Invest time and resources necessary for fostering a culture of excellence.
- Ensure that "commitment to quality assurance" becomes a grass root level movement.
- Be open and responsive to feedback received through student opinion surveys, alumni feedback and routine programme assessment questionnaires (student as customer).
- Ensure that the quality management system is facilitating and enabling but not intrusive.
- Continuously raise the "performance bar" by adopting best academic practices of better governed institutions to delight the customer (student).
- Assure the primary stakeholders (the students) that the institution is in continuous pursuit of higher standards and that honest efforts are being undertaken to impart knowledge and skill.
- Undertake rigorous and periodic evaluation of the conduct of academic programmes while subjecting all teaching practices and processes to a objective academic audit.
- Analyse and diagnose the existing state of quality assurance and impart Training through seminars for a strategic approach to quality.
- Carrying out a regular review of all quality initiatives.

Obstacles to Quality Control

- Failure of Management to plan for the future.
- Short term thinking at the cost of long term effort.
- Improvement to be aimed at by degree not by decree.
- Excessive/ misplaced regulation causes a backlash by forcing the would be innovators to return back to "chalk and talk" and "teaching-to-test" methods.

Common Causes of Quality Failure in Education

- Poor curriculum design.

- Inadequate and poorly maintained buildings (insufficient resources).
- Poor working environment.
- Unsuitable systems and procedures.
- Insufficiently creative time tabling.
- Insufficient staff development.
- Failures in communication.
- Lack of knowledge and lack of motivation.

The Cost of Failure

- Loss of student enrolment.
- Damage to reputation.
- Loss of opportunities.
- Beginning of the End of an Institution's Identity.

Gender Sensitive Quality Indicators

Gender auditing is a process of assessing policies, practices and procedures in an organisation that specially addresses the issues related to women. It aims to identify development dimensions of providing opportunities for women in the organisation for their growth and also aspects hindering women's advancements in the organisation.

Purpose

Educational institutions are being accredited by the NAAC to assure quality of education and thus establish credibility. Several criteria an indicators have been developed to provide a base for assessment and accreditation. Most of these indicators reflect academic, administrative, infrastructural, financial and human resources. However, it is noted that gender related dimensions are not captured in the assessment process. To make sure that the resources from women are utilised effectively, it is important to include gender component or get sex disaggregated data for assessing the gender balance and make

appropriate interventions by the institutions. A list of gender sensitive quality indicators is given below:

Gender Sensitive Indicators

All educational institutions must take certain initiatives for achieving the objectives of the overall development of the students. In the specific case of women and as envisaged in the National Policy of Education (1986), education is viewed as a tool of social change for correcting the accumulated distortions of the past. To bring about this change, certain specific initiatives that would facilitate women students' development and empowerment are required. Such initiatives may be termed as Gender Positive Initiatives.

In this context, an audit of the outcome of the specific initiatives for the promotion of women's development – not only for the students, but also for the faculty is necessary to establish equality of opportunity and gender justice, ultimately resulting in the optimum utilisation of women resources.

Framework for Gender Sensitive Indicators

NAAC has identified seven major areas for the assessment of institutions. Some examples of gender sensitive indicators have been delineated here for further elaboration and refinement.

1. Curricular Aspects

(a) What are the women related courses/topics introduced in the curriculum in the various subjects taught?

2. Teaching, Learning and Evaluation

(a) Gender segregated data on students and faculty in various departments at UG/PG level.

(b) Participation of women faculty in seminars/ conferences/ workshops/ faculty development programmes/ receiving awards/ representation in various committees.

3. Research, Consultancy and Extension

(a) Percentage of women faculty actively involved in research/ guiding research students/ operating projects/ publishing/ and extension activities.

(b) What are the specific research topics and extension activities related to women.

4. Infrastructure and Learning Resources

(a) Availability of hostel/ common room/ toilet/ sports facilities for women.

(b) Books and journals on women in the library.

5. Student Support and Progression

(a) Sex disaggregated data on number of women students getting scholarships/ financial support and the students getting placement.

(b) Availability of women counselor, sexual harassment cell, lady doctor.

6. Organisation and Management

(a) Number of women in all selection/ promotion committees/ academic/ administrative bodies of the institution.

(b) Details on maternity leave, crèche for children.

7. Healthy Practices

(a) Number of gender sensitization programmes conducted.

(b) Number of women related themes and topics taken up for discussion and debates.

(c) Number of leadership camps organised for the personality development of women students.

This is a brief outline of some of the gender sensitive indicators, which could be used effectively to assess the overall quality of an institution encompassing the gender components. NAAC's initiative to include gender sensitive quality indicators in the assessment process is a very progressive measure that should go a long way in bringing greater gender justice in the higher education system.

BENCHMARKING

Benchmarking is a tool for improving performance by learning from best practices and understanding the processes by which they are achieved. It involves looking outward to examine how others achieve their performance levels and to understand the processes they use. In this way benchmarking helps explain the process behind excellent performance. Application of benchmarking involves four basic steps. Firstly, understand in detail the processes. Next, analyse the processes of others. Then, compare the performance with that of others analysed. Finally, implement the steps necessary to close the performance gap.

What is Benchmarking?

Benchmarking is a management technique to improve business performance. It is used to compare performance between different organisations or different units within a single organisation undertaking similar processes. It is an ongoing method of measuring and improving products, services and practices against the best that can be identified in any institution anywhere.

There are many similar definitions of benchmarking, most of which fit neatly on two groups – those that include implementation of the findings and those that do not. Jane Foot's definition is widely cited in library literature, yet it's a definition that does not incorporate the implementation of the identified best practices.

Foot defined benchmarking as "the process of comparing yourself with others measuring your service's processes and performance and systematically comparing them to the performance of others in order to seek best practice. It enables the identification of areas where improvement is possible, how it might be achieved and what benefit it might deliver".

The American Productivity and Quality Centre defined benchmarking as: "The process of identifying, understanding and adapting outstanding practices and processes from organisations anywhere in the world to help your organis-action improve its performance".

Benchmarking is above all a practical tool. It is constantly evolving in the light of ever-increasing experience, applying it to different organisational and cultural settings.

The Origins of Benchmarking

Benchmarking, as it is known to-day was developed in USA in the seventies. However, the underlying concept has been in existence for considerably longer. The studies on the scientific methods of work organisation performed by Frederick Taylor in the latter part of the nineteenth century represent an early use of the benchmarking concept.

Benchmarking was originally developed by companies operating in an industrial environment. It has, therefore, been applied most widely at the level of the business enterprise. In recent years, organisations such as government agencies, hospitals, universities etc., have also discovered the value of benchmarking and are applying it to improve their processes and systems. In addition, industry associations now increasingly use the tool to improve sector specific processes. Most recently, public authorities have begun to explore the use of benchmarking as a tool for improving policy implementation processes, by focusing on the framework conditions, which underlie the business environment and the economy more generally.

Benefits of Benchmarking

Benchmarking offers a number of benefits. These include:

- Improved customer satisfaction

- Increased productivity
- Reduced operating costs
- Identifying and streamlining work process
- Developing meaningful measurements and quantitative terms
- More efficient and effective processes
- Improved performance and customer service
- Increased competitiveness
- Increased utilisation of resources
- Improved levels of management support
- Better and faster decision-making
- More efficient and effective marketing
- Accelerated change and facilitated change management
- Improved professional relationship
- Proof of the unit/division's value to the organisation

Benchmarking Process

Benchmarking consists of a logical sequence of stages, which an organisation goes through to achieve continuous improvement in its key processes. It is a process that takes time. Depending on the subject and the information available, a benchmarking exercise might run over three months up to one year. It should be repeated after a certain time period, and the impact has to be monitored.

There are many books, articles and papers about the development of benchmarking process, and the most consistent message appears to be that the process must be rigorous and well planned. Henczel suggested the following stages for developing a benchmark process.

- Plan what you are going to benchmark, who, with whom and for what purpose. As with any other project, planning is the most critical stage because inadequate planning and preparation can cause a project to fail.

Plan your resource allocation (who will do what, how and who will pay for it) and decide which process will be benchmarked and why.

- Define the process and identify all the inputs to the process, the outputs and the customers. Define the boundaries of the process.
- Flowchart the process and include inputs, activities, indicators, decisions and outputs.
- Identify problems in the process and their possible causes. Use the expertise of the staff who actually perform the activities, as they have the most in depth understanding of related issues.
- Develop the metrics (how one will measure) and identify significant qualitative data that is important of the process.
- Collect data, measure the process.
- Compare collected data with benchmark partner.
- Identify areas for improvement.
- Formulate recommendations and an implementation plan.
- Implement improvements.

Choosing what to benchmark can be as important, if not more so than choosing a benchmarking process or partner, because it will impact how useful the results are to the organisation. A useful list has been developed by Catherine Cassell, Sara Nadin and Melanie Older Gray who suggested that the processes chosen for benchmarking must be:

- Related to critical success factors for success
- Processes that are currently causing trouble
- Processes that are important to the customers and which are not performing up to expectations.

- The areas where the competitive pressures are impacting the most (e.g. price, flexibility, products).
- Processes that have the greatest potential for differentiating the competition; and
- Processes that are not in transition.

Tips for Successful Benchmarking

There are some tips for successful benchmarking such as:

- Aligning benchmarking projects with strategic objectives (critical business issues that have high pay-offs and are aligned with organisational values and strategy).
- Following a rigorous process (planning, analysis, implementation and review).
- Benchmarking the process and not just the outputs.
- Choosing an optimal benchmarking partner.
- Committing to implementing the changes required.
- Understanding the organisation and its culture so that to adopt the most appropriate changes in the most appropriate way.
- Understanding the limitations of benchmarking.

Benchmarking in Libraries – An illustration

Libraries have traditionally used external comparative benchmarking studies to measure themselves against others in order to justify their existence or prove their value and support their case for maintaining existing levels of staffing or funding. These studies were invariably based on statistics gathered and shared for the purposes of measuring how they rank with other libraries.

One of the primary aims of a librarian is to ensure the offered service which contributes significantly to the success of the organisation and is as good as it can be. To do this, a librarian must utilise internal and external benchmarking processes to measure performance and identify possible areas of improvement.

Benchmarking requires libraries to examine their work processes and measure their productivity against that of other libraries. In monitoring other libraries, they can enhance their own performance by adopting, or adapting, the competitor's best practices.

Libraries are becoming increasingly accountable and are assuming a more business-like model. Increasingly the three E's – Effectiveness, Efficiency and Economy – are addressed. Benchmarking is an is an excellent tool for librarians to determine how effective, efficient and economical their library operation rates.

The goal of benchmarking is to increase library's performance by:

- Identifying libraries with best practices as partners.
- Measuring and comparing a selected work process against partner libraries.
- Conducting an interview with the library with the most efficient and effective work process; and
- Adopting, or adapting, partner's best practices in the library.

Since best practices are always evolving, benchmarking is a continuous process. As a Total Quality Management tool, it requires librarians to focus their efforts on improving the work processes that impact the delivery of library products and services that are important to the customers. Benchmarking gives a tool to librarians to show the value of their library to the management in numerical terms. It proves to librarian's upper management, administration or library board as a proactive librarian devoted to total quality. Librarians will impress them with realistic, quantifiable goals based on superior library practices.

In addition, a benchmarking study can be used to prevent a budget cut or library outsourcing. Benchmarking helps librarians to increase their performance and improve its work processes. The end result of benchmarking is reduction of coasts, improved customer service and increased system efficiencies. These improvements enhance librarian's reputation in their organisation or community. This Total Quality Management Tool helps librarians to attract new customers while retaining the old ones.

Librarians can use internal and external benchmarking to improve their process and prove their 'value' to their organisations. The key to benchmarking is to see what is being done differently and to have the ability to assess the value of those differences to the library.

Internal Benchmarking

With this method, librarians benchmark their library against others in their organisation or library system. Benchmarking this way involves the following steps:

- Conduct a preliminary benchmarking analysis including determination of the needs of management, patrons and library staff.
- Develop benchmarking metrics (measures)
- Identify internal benchmarking partners
- Collect and analyse the benchmarking data
- Present results to management.

With this benchmarking process, librarians do not have to leave their organisation or system to find partners. Sister libraries will be more willing to share their information than libraries from other organisations. For those libraries in the private sector librarians don't risk releasing their organisation's confidential information to their competitors. Benchmarking with the sister libraries promotes professional cooperation and building within the closed library system.

Despite these many benefits, there are some disadvantages. One is that benchmarking takes time. A typical internal study may last up to four months. Another disadvantage of internal benchmarking is librarian's limited exposure to the profession's best practices.

External Benchmarking

This procedure is like internal benchmarking with the additional steps of identifying and contacting outside partners. External benchmarking allows librarians to witness, firsthand, the work processes of other libraries. With this

broader perspective, librarians will have greater ability to identify and implement the profession's best library practices. Library staff will work as a team and build valuable professional relationships with librarians at other organisations.

Some difficulties with external benchmarking may be; precise time requirement, partner identification and confidentiality. External benchmarking requires a considerable time. Planning, training and data collection are more extensive than internal benchmarking. The complete study can take six to 12 months. There are many libraries; it may be difficult to find the right library partners for benchmarking study. To overcome this, librarians may use the classified section of the library publications to advertise for specific types of partners.

Benchmarking is a total quality tool that requires librarians to look closely at how other librarians accomplish selected work; it can be considered a kind of friendly competitive intelligence used to increase library's performance and customer service. Best library practices are always evolving; benchmarking is not a one-time activity, but a continuous process. In a nutshell, benchmarking is a four step activity where:

- Librarians measure their target library process that needs improving.
- Other (partners) libraries measure the same library process in their libraries.
- Librarians and their partners compare the measures and decide which library is the highest performer or best practised.
- Librarians adopt or adapt partner's best practice.

Unfortunately, benchmarking is not quite as easy as it sounds. It takes time to conduct a study that a librarian can accomplish a benchmarking study, but a team works towards this end is definitely better. Of course the size of the library staff dictates the level of involvement, but the rallying cry for selecting a team should be the workload. Librarians can definitely use benchmarking to improve their library operations and services.

LEARNER RELATIONSHIP MARKETING

Relationship marketing (or relationship management) is a philosophy of doing business, a strategic orientation, that focuses on keeping and improving current customers, rather than on acquiring new customers. This philosophy assumes that consumers prefer to have an ongoing relationship with one organization than to switch continually among providers in their search for value. Building on this assumption and the fact that it is usually much cheaper to keep a current customer than to attract a new one, successful marketers are working on effective strategies for retaining customers.

Goals of Relationship Marketing

The goal of customer enhancement suggests that loyal learners can be even better customers if they continue to get the services from the education institutions over time. Loyal learners not only provide a solid base for the institution, they may represent growth potential.

Benefits of Customer Retention

In the customer-institution relationship both parties can benefit from customer retention. That is, it is only in the best interest of the *institution* to build and maintain a loyal customer base, but *customers* themselves also benefit from long-term associations.

Benefits for Learners

Assuming they have a choice, learners will remain loyal to a institution when they receive greater *value* relative to what they expect from competing education institutions. Remember that perceived value is the learner's overall assessment of the utility of the service based on perceptions of what is received and what is given. Value represents a trade-off for the learner between the "give" and the "get" components. Learners are more likely to stay in a relationship when they gets (quality, satisfaction, specific benefits) exceed the gives (monetary and non-monetary costs). When education institutions can consistently deliver value from the learner's point of view, clearly the learner gets benefit and has an incentive to stay in the relationship.

In addition to the specific inherent benefits of receiving service value, learners also benefit from long-term relationships because such associations contribute to a sense of well-being and quality of life. Building a long-term relationship with a service provider can reduce consumer stress as initial problems, if any, are solved; special needs are accommodated; and the consumer learns what to expect. This is particularly true for complex services (e.g. legal, medical, education), for services where there is high ego involvement, and for services that require large investments. After a time the learner begins to trust the education institution and to count on a consistent level of quality service.

Human nature is such that most of the people would prefer not to change service providers, particularly when they have a considerable investment in the relationship. If the service provider knows the consumers, knows their preferences, and has tailored services to suit their needs over time, then changing providers would mean educating a new provider on all of these factors.

Most consumers (whether individuals or businesses) have many competing demands for their time and money and are continually searching for ways to balance and simplify decision-making to improve the quality of their lives. When they can maintain a relationship with a service provider, they free up time for other concerns and priorities.

In some long-term customer/ firm relationships a service provider may actually become part of the consumer's social support system. For example, the principal who knows an entire family and its special needs. These types of personal relationships can develop end-consumers of services. The social support benefits resulting from these relationships are important to the learner's quality of life (personal and/or work life) above and beyond the academic benefits of the service provided.

QUALITY ASSURANCE IN TEACHING

Teaching is an art. Presentation of material is the style of the art. Producing quality in teaching is the essence of the art. Teaching well means helping students learn well by producing good quality of materials. Powerful learners have expended repertoires of strategies for acquiring education. There should be considerable freedom for staff in determining the nature of a course to be taught, and that freedom should be respected. Teaching is one major aspect of academic life, and it is the input from the personal scholarship and research expertise of the staff that give university teaching its special flavour. Teaching's major components are content, communication and feed back. Teaching programmes must be allowed sufficient flexibility to accept injection of new information, opinion or analysis so that the excitement felt by the teacher for the subject can be brought to the students. Nonetheless, there must be a transparent structure underlying the teaching programmes, the modules of which they are composed and the teaching, learning and assessment methods employed, so that the staff, current students and prospective students are all clear as to what is expected of them. The following are the guidelines to quality assurance in teaching:

Responsibilities of Teaching

In Schools and Colleges

- Setting appropriate objectives in teaching and learning.
- Providing the intellectual and material resources to support those objectives.
- Monitoring and enhancing teaching and learning performance.
- Evaluating success in meeting teaching and learning objectives.
- Ensuring appropriate feedback on objective evaluation.
- Accounting for their performance to Faculty Boards and Teaching Committee.
- Demonstrating the highest standards to external examiners and other external agencies.
- Preparing, where appropriate, for professional accreditation.

Faculties

- Assessment of new program proposals and program amendments.
- Monitoring and review of the standards of awards.
- Consideration of external examiners' reports.
- Monitoring of student progression.
- Nomination of boards of studies and boards of examiners.
- Nomination of external examiners.
- Where faculties are providers, demonstrating the highest standards to external examiners and other external agencies.

Teaching Committee

- Audit of teaching quality at institutional level through consideration of:
    - New program proposals.
    - Teaching and learning policies.
    - Codes of good practice and conventions.
- Management of institution-wide review of teaching quality.
- Management of the teaching quality self-appraisal scheme.
- Acting for the university in areas of external assessment, audit and accreditation.
- Promotion of innovations in teaching and learning.
- Disseminating good practice.
- Considering of staff development policy in the area of teaching and learning.

What is more important in producing quality is the construction of knowledge, conception of intelligence, adapting to individual differences, thinking inductively, attaining concepts, memorization, learning from other presentations, programmed instructions, learning from simulations and style of learning.

Definitions

Program

The approved curriculum followed by a student which may be one of a number of established pathways available or may be unique to the student.

Module

Discrete segments of a program, the learning outputs from which are assessed at completion against the criteria appropriate to a particular level.

Level

The position occupied by a module in terms of academic progression; relates to the standard of work demanded and the intended learning outcomes, and not necessarily to the year in the programme of study in which the module is being taken. A particular module may be experienced at different levels.

The teaching process should be matched to the processes required of the student in attaining the intended learning outcomes. Since a module will normally have several intended outcomes, different components of the module will be suited to different teaching and learning processes and such a module should be presented through a variety of appropriate methods so far as the resources allow. For example, the methods best suited attaining insight or the skills of problem solving (e.g. tutorials, workshops) are different from those suited to acquiring knowledge (e.g. lectures, resource materials) or those studied to developing personal and transferable skills (e.g. projects, placements, group assignments).

Having selected the teaching-learning processes appropriate to the intended learning outcomes, they must be supported by methods of assessment appropriate to those processes and to the academic level(s) of the module. The method by which performance in a module, or the component of a module, is assigned strongly influences the student's perception of the purpose of the education being provided, and must be regarded as an important part of the learning process.

Different people have different skills of learning, and it is desirable to employ teaching processes that allow for some individual choice or negotiation of learning style. Giving the student more responsibility for exploring effective personal approaches to learning will support the development of personal transferable skills that are valuable in their own right. It should be recognised that some students, particularly in the early stages of a teaching program, may not have the experience to cope with this type of responsibility, and the teaching staff should be sensitive to the need to help students learn to learn. This involves attention to learning strategies, motivational strategies and resource management.

Before starting of any module, a description of it must be made available to each student, including –

- The educational aims of the module, and its academic level(s).
- The learning outcomes of the module, i.e. what the student will have achieved by the end of the module.
- The personal transferable skills which the module supports.
- Academic or experiential pre-requisites for starting the module.
- Links between this module and earlier, parallel and later modules.
- Indicative contents of the module, and the personnel involved.
- Components of the module that are optional or negotiable.
- An indication of the balance between the modes of delivery that the student will experience.
- A full bibliography, including preliminary reading that should be undertaken before the start of the module.
- Resources that the student should be equipped with at the start of the module, e.g. module texts, instruments.
- Modes of assessment of the student's performance employed in the module, including deadlines and consequences of failure to meet them, criteria of assessment, weighting between components of assessment, contribution toward assessment in the programme overall, consequences

for progress to later modules, possibility for recovery of unsatisfactory performance

- ❖ An indication of a student's time commitment for the module, distinguishing between directed time, including required independent study, and expectation of personal study time.

There must be a mechanism by which all students may regularly be made aware of their progress on the module and of any inadequacy in their academic performance that may put them at risk of failing the module. In particular, students must be able to receive comments on their written work within a reasonable (stated) time. Comments should be sufficient and of a kind that helps students to be aware of their strengths and weaknesses, and they should have the opportunity to discuss their work in more detail with the teacher if they so wish.

It is widely held that the link between teaching and research in an essential attribute and it stimulates the spirit of inquiry that should be a feature of student learning.

The following points of good practice relate to the relationship between teaching and research:

- The strength of the link between the quality of teaching and sound and relevant research will not be equal across all modules, but all undergraduate and postgraduate degree programmes will include advanced modules where the quality of teaching is dependent upon sound and relevant research;

- Not every aspect of the teaching and learning process needs to be linked to research, for example, where teaching is of a largely technical nature, as with demonstrating or instruction in computer use.

Quality in Teaching and Learning Strategy

Offer the students the best possible learning experience in a research environment. This is achieved not only through participation in lectures, seminars, tutorials and other formal teaching arrangements, but also by using library and computing facilities to maximum advantage by implementing active learning and group work where appropriate, through the provision of a range of

extra curricular activities, and, where relevant, through periods of study in other institutions. Ensure that the quality of learning and teaching is a corporate concern. Monitor quality and demonstrate that appropriate quality assurance mechanisms are in place. Ensure realistic workloads for students on all courses. Produce graduates who are well fitted for their chosen careers, which have acquired a range of transferable skills.

Teaching technology design can be based on objective-based, skill-based, competency-based, learn-style based and model-based. It may include for large/ small groups, involving seminars, symposiums, panel discussions, team teaching, workshops, projects, group discussions, mock interviews, case assignments/ discussions, brainstorming, buzz group techniques, tutorials, simulation approaches. Care should be taken in the strategies for classroom management such as discipline, rhythm, class culture, teacher attention, teacher's verbal control, self-management, student's involvement, group management etc.

- Encouraging regular review of the design and delivery of programmes and units; developing new programmes within the spirit of the University's Modularization system and establishing a mechanism for ceasing to offer units or programmes;
- Establishing methods of teaching and learning appropriate to the subject matter and to the students admitted to the programmes, are integrated with the methods of assessment used, and encourage the acquisition of lifelong learning abilities;
- Ensuring that assessment procedures are appropriate, reflect teaching and learning methods and are clearly stated for the benefit of students, staff and external examiners;
- Ensuring that there is commitment to the development of personal or transferable skills and that content of units and teaching, learning and assessment methods reflect this;
- Ensuring that all students receive training in information technology (IT) skills;

- Providing adequate resources for the library, IT and other academic support services;

Continuing staff review and a development programme, which enhances and broadens the existing skills for all those with teaching responsibilities.

Evaluation of teaching involves collecting evidence, from various stakeholders, for the purpose of improving the effectiveness of the teaching-learning process. A successful evaluation generates outcomes that are valid, reliable and indicate directions and action for improvement.

Teachers should take up the following activities for improving the students' standards:

- Clearly spell out communication policies, expectations and responsibilities for both students and instructors in the course syllabus. For example, state how quickly students should expect a reply to their email (2 working days), and where students should look for help before sending email.

- Create private discussion forums for each group so that they can communicate with one another without the entire class being able to read their comments. Let students know ahead of time whether the teachers are also able to read their group discussions.

- Schedule chat rooms and weekly bulletin boards that the students must respond to keep them on task and in touch.

- Begin discussions with questions that you know most students can answer correctly. Provide lots of positive feedback to encourage participation.

- Keep a log of office hour chat room discussions. Edit the log and replace each student's name with the work "student". Post the edited log gile on the bulletin board as a reference.

- Create a frequently asked question (FAQ) list that is accessible from the main web page. When you receive more than two emails asking for the same information/ clarification, add a hint or explanation to the FAQ list.

Make sure to refer students to the list so that they become accustomed to checking it first.

❖ Bulletin board works well for discussion of issues and peer critique of scholarly writing; students need to be given points for participation and guidelines for what is appropriate discussion on the bulletin board.

❖ On-line activity: assign an article to read and require students to post a short summary on the course bulleting board. Variation: assign different articles to different group but require only one summary per group.

❖ Have students' submitted questions for you to review and include in exams.

❖ Variation: Students must also submit an answer with each question. The incentive is that if their question is selected, they should be able to get full points.

❖ Online activity: Create several discussion forums, each on a different topic. Have the students self-select one or two to participate. Each discussion group must summarise its discussion in two weeks.

❖ Have students submit terms and explanations to be included in the course glossary.

❖ Divide the class into groups and assign each group a different course topic to "teach" to the rest of the class.

❖ Have students recommend websites that supplement the topics being covered.

Purpose of the Evaluation

It could be an evaluation of –

- The quality of the educational provision (the product) – which could be the whole program, a course (module), a class (lecture, seminar, laboratory etc.)

- The performance of the provider(s) – the academic staff, tutors, support staff, involved in the delivery of this programme/ course/ class.

- The experience of the students as partners in the process – their experience of what is provided, and of the providers their motivation and approach to learning.

- A combination of these things – provided that the various purposes are made absolutely clear to those asked to make the evaluation.

Focus of the Evaluation

- The clarity of the stated educational aims and learning outcomes.
- Curriculum and content – perceptions of relevance/ usefulness.
- Way in which the curriculum was presented or delivered.
- Development of subject-specific skills.
- Appropriateness of the methods of assessment.
- Appropriateness of the style of teaching, and the performance of teacher.
- Quality of feedback to the student on the performance of the student.
- Motivation/ attitudes of the student.
- Educational challenge presented to the students.
- Workload, how reasonable, how realistic.
- And the support available to students/ course books/ resources for independent learning.

Who will Evaluate?

An evaluation of teaching will normally be designed for students as the primary evaluators, but there is advantage in also seeking evaluation by all the partners in the process. The responses of the different participants in the process – students and staff – permit a correlation that adds greatly to the reliability and validity of the outcomes of the evaluation. Such a correlation provides insight into the level of harmony, or disharmony, of perceptions between the partners in the teaching-learning process. Internal and/or external academic peers can also

be invited to participate in the evaluation, to introduce a wider perspective on, for example, the academic standards of the educational provision.

Methods of Evaluation

Only when the purpose of evaluation, its focus, reporting and responsibility for action has been determined can the methods of evaluation properly be addressed. There is always an advantage to be gained by using several methods of evaluation and correlating their outcomes.

Questionnaire

This familiar method of seeking feedback from students has the potential advantage of speed (in administration), anonymity (of response) and standardisation (for purposes of comparison between associates).

Structured Group Interview (Nominal Group Technique)

This is a meeting with students at which they are asked to give their views about a programme, course or class. It must be structured with care to generate constructive debate, so that students feel free to express their views without personal risk. Typically, students are asked to work in small groups to reflect upon good and bad features of the educational provision (e.g. program, course or module). A spokesperson from each group is asked to relay the considered views of the group is asked to relay the considered views of the group to the meeting. The role of the member of the staff leading the meeting is to compile a summary of such views, to validate them at the meeting, and later, to produce a short report of the main outcome.

Student-Staff Liaison Committee

Every academic department has a staff-student liaison committee. While this is neither the right venue, nor necessarily the right group, to conduct evaluation, it is an opportunity for the students and staff as partners in the teaching/ learning process to identify priorities for scheduling evaluations, propose particular purposes and foci of evaluation and comment on the outcomes of evaluations, their validity and reliability.

There is a close relationship between teaching and learning and it is possible to modify, improve and develop teaching quality. By illustrations, lecturing, probing questions, reinforcing pupil participation, having fluency in questioning and putting divergent questions no doubt the quality of teaching can be improved. The mentioned methods and guidelines, if followed correctly will make drastic changes in teaching technology and improve quality assurance in teaching.

OVERSEAS MARKETING

As the service economy continues to grow both in size and importance, the scale of services marketing internationally can be seen to be increasing dramatically. This increase is inevitable; if service organisations are to grow and survive in today's global marketplace, they have to develop their international operations. Obviously, trends in international trade will affect all service providers may never become involved with international marketing, as such. However, in all sectors of service industries, there are organisations which do operate internationally.

International marketing involves all the activities that form part of domestic marketing. An organisation engaged in international marketing has to correctly identify, assess and interpret the needs of the overseas customers and carry out integrated marketing to satisfy those needs. In other words, in international marketing as well as in domestic marketing, the basic functions are the same. At the same time, there are several characteristics that are unique to international marketing. When the business crosses the national borders of a given country, it becomes enormously more complex. The resulting problems and management situations transcend those of marketing, finance and production. A wide range of legal, political, cultural and sociological dimensions enter the picture.

Internationalized higher education or borderless higher education is making its presence felt all over the world. Thousands of Indian students are going for higher education to countries such as USA, Canada, Australia, New

Zealand and some European countries. It is estimated that there are over 70,000 Indian students in USA alone. On the other hand there are only 700 American students in Indian universities and colleges. Many foreign universities are actively operating in Indian cities offering their courses through fanchisees or recruiting students for study abroad. Some of the best universities in India have set up overseas campuses or study centers in Gulf counties and South East Asian countries. They are also attracting foreign students for courses in Indian culture, philosophy, socio economic studies etc. This process of transnational transfer of students and teachers from country to country will speed up by the year 2005 when the World Trade Organization's General Agreement on Trade in Services will become operational.

FORCES INFLUENCING TRADE IN EDUCATION

(1) **Globalization:** Globalization is rapidly increasing, bringing with it expanded personal mobility; access to knowledge across borders; increased demand for higher education (including e-learning), especially in developing countries; growing worldwide investment; and increased needs for adult and continuing education. As a result, the opportunities and capacities to expand the market for higher education have also increased tremendously. That growth will continue even more rapidly over the next few years.

(2) **Information technology and communications:** The rapid worldwide expansion of new information technology, improvements in communications technology, and the reduced cost of much of this technology have spawned a major expansion in its application to education.

(3) **Increasing competition:** Competition in higher education has increased markedly in recent years. Competition from foreign institutions is of special concern to developing nations. They fear that competition from providers in rich nations will disadvantage their still-developing higher education systems.

GLOBALISATION AND LIBERALISATION IN HIGHER EDUCATION

Globalisation is different and distinct from internationalization. Globalisation can be explained as the growing interdependence and inter-connectedness of the modern world through increased flow of goods, services, capital and information. Globalisation hás resulted in higher education being thought of as a commercial product, with dealings in it being governed essentially by market forces and the principles of marketplace.

India registered her opposition in discussion of Uruguay round in 1994 on bringing services into the purview of trade rules by the World Trade Organisation (WTO). India's considered opinion was that services were an area best left to domestic regulation and they did not naturally fall under the purview of the global trading system. Notwithstanding the opposition of developing countries including India and a few developed countries, the sector was included in the trade negotiations agenda. The outcome of Uruguay round of negotiations was the General Agreement on Trade in Services (GATS).

GATS is a comprehensive legal framework of rules and disciplines covering 161 services activities across 12 classified sectors, which include the Education Sector. GATS excludes the services which are supplied in the exercise of governmental authority. GATS defines the services trade as occurring through four possible modes of supply viz.

1) ***Cross-border Supply:*** This mainly relates to courses provided through distance education, internet etc. any type of educational testing service and any educational material that can be sent across national boundaries.

2) ***Consumption Abroad:*** This refers to education of foreign students and is the most common form of trade in educational services. (Students traveling to abroad for studies).

3) ***Commercial Presence:*** This refers to actual presence of foreign investors in a host country. This would also include foreign universities providing for courses or setting up of institutions in another country.

4) ***Movement of Natural Persons:*** This refers to movement of people across countries to provide educational services. (Teachers moving across countries for jobs).

Two basic principles underlying GATT (goods) are preserved and adopted in the GATS (services). These principles are the Most Favoured Nation (MFN) and National Treatment. MFN treatment means equal opportunities to all WTO members. National Treatment means treating one's own nationals and foreigners equally. If the principle of National Treatment is to be implemented, a foreign education service provider has to be given the same treatment, which is given to national/ local education service provider in the country. countries are free to decide which service sectors they wish to subject to market access and national treatment discipline. Countries can also specify in their schedules the limitations and expectations they wish to maintain on market access and national treatment. The market access and treatment commitment are made for each of the four modes of supply.

The education services are divided into five sub-sectors:

1) ***Primary Education*** includes the normal notion of primary education and pre-school education services, but excludes child day-care services and adult literacy programs.

2) ***Secondary Education*** includes high school education, technical and vocational education and school-type services for handicapped students.

3) ***Higher Education*** includes two distinct groups; one relates to the teaching of practical skills in post-secondary, sub-degree technical and vocational education institutions, and the other deals with more theoretical educational services provided by universities, colleges and specialised professional schools.

4) ***Adult Education*** indicates all education services that are not in the regular school and university systems; this includes both general and vocational subjects, literacy programs, and any education services delivered by correspondence or broadcast. It excludes any program delivered through the regular education system.

5) ***Other Education*** includes anything not specifically mentioned elsewhere, with the exception of recreational matters.

Commitments on the part of individual countries to open markets in specific sectors is the subject of negotiations. There is no minimum requirement as to its coverage, so that WTO members are free to leave entire sectors out of their GATS commitment or they may choose to grant market across only on specific sectors, subject to the limitation they wish to maintain. Commitments may also be withdrawn. So far only 44 of the 144 WTO members have made commitments to education and only 21 of these have included commitments of higher education. Only four (Australia, New Zealand, USA and Japan) of the 21 countries with higher education commitments have submitted a negotiating proposal outlining their interests and issues. Education with total global outlay of one trillion dollars representing over 50 million teachers, one billion students and hundreds of thousands of education institution, in the perception of WTO, is a big service industry with immense potential for trade and market.

Indian education, particularly higher education, falls within the ambit of the WTO and GATS. We have therefore to accord the Most Favoured Nation (MFN) status to other countries enabling them to open their university campuses on Indian soil and admit Indian students to their institutions. As a reciprocal measure, Indian Universities can open their campuses in other countries and admit students belonging to those countries. Globalization has multidimensional impact on a highly heterogeneous system like the Indian education. While it may bring some benefits, unless effective controls are thought of and implemented, it could result in more loss than gain.

Benefits of GATS

- Improvement in the quality of higher education due to competition.
- Large number of agencies provide higher education opportunities domestically and internationally.
- Use of information and communication technologies (ICST) for domestic and cross-border delivery of programmes.

- Students can have greater access to a wider range of education opportunities at home and abroad.
- Increasing access to education and reducing knowledge gap in developing countries.
- Easier access to higher education in developing countries as governments in those countries are finding it difficult to provide additional resources to higher education institutions to meet the increasing demand.
- The regional and international cooperation among developing countries can help in capacity-building in those areas. This will enable them to withstand the market strategy of the OECD countries.
- In order to control the operation of foreign providers and protect students from bogus institution, there must be a national regulatory framework. Effective mechanism has to be formulated to regulate the delivery of cross border education, especially virtual education.
- Innovations through new providers and delivery modes, greater student access and increased economic gain.

Apprehensions

- Increase in costs and tuition fees to be borne by students at public and private institutions.
- Public institutions may seek alternate sources of funding which leads to their gradual privatization.
- Student access may be more limited because trade will commercialise education and consequently escalate the cost of education and perhaps lead to a two-tiered system.
- According to the GATS rules, public funding is equated to unfair subsidy. Foreign providers insist the governments to decrease funding thereby jeopardizing the public funded domestic institutions.

- GATS facilitates uninterrupted mobility of professionals and skilled laborers. Favourable service conditions and lucrative pay packages may draw the best teachers and researchers towards developed countries creating an artificial shortage, which later can be exploited for the trade benefits of the developed countries.

- Erosion of indigenous arts and culture, which leads to acculturation.

- Profit motivated private universities may emerge and higher education, now regarded as a 'public good' may come to be treated as a profitable business.

- The demographic pressure, coupled with resource crunch in the developing countries, may provide a fertile ground for enterprising foreign providers of higher education from the developed countries.

- The foreign providers may offer courses in mostly professional areas such as management, accountancy, finance, law and information technology which do not require establishment of heavy infrastructure. They may offer only profitable subjects leaving the public institutions to deal with non-profitable subjects in humanities and sciences.

- With lack of effective mechanism in place to control the quality of courses delivered by foreign providers in the context of liberalized education, many foreign providers may offer courses of dubious quality and function as 'degree mills'.

- Foreign providers could increase the social divide in developing countries as affluent and middle class students would opt for private and foreign institutions while poor students opt for public institutions which cannot afford to offer best academic environment due to financial crunch. This would lead to re-establishment of elitism in education.

The basis of opposition for bringing services under world trade reference was that services were an area best left to domestic regulation and that they did not naturally fall under the preview of the global trading system.

Controls

- A clear and compatible regulatory mechanism has to be developed to monitor, control and restrain the private and foreign providers in order to ensure national policy objectives and safeguard the public interest.
- New types of education providers, new delivery modes, new cross-border education institutions and new levels of students mobility can create confusion for the recognition of qualifications and transfer of academic credits. The business lobbies in higher education exploit the situation and pressurize the government to make resolutions favourable to their interests. Here lies the role of national quality assurance agencies for assessment of the programmes and accreditation of the institution and recognition of qualifications.
- The recognition of degrees and quality assessment of the programmes and institutional accreditation of all domestic and foreign education providers should be made mandatory through national quality assurance agencies. In India, the National Assessment and Accreditation Council (NAAC), which is a founder-member of International Network of Quality Assurance Agencies in Higher Education (INQAHE), can successfully carry out this task.
- The higher education sector needs to discuss and debate all issues on internationalisation, globalisation and trade liberlisation of higher education to understand the threats as well as the opportunities of GATS.
- Effective control mechanism so that foreign providers don't hamper the development objectives of the country.
- The governments, especially of the developing countries, should make thorough consultation with their academics, intelligentsia and legal experts before listing their commitments in higher education services in the context of GATS.
- It is essential for governments of developing countries to acknowledge that there is a 'public good' aspect to universities for the socio-cultural development of the nation. Hence it is imperative to make the local

universities strong and well performing to get recognition internationally to compete with the foreign and private providers.

- When we think at the global level, we need to give priority to strluctural adjustments of academic courses, changing from annual to semester system, introduction of 'cafeteria' approach with modular structure, credit measures, and development of a unified approach to enable transfer of credits from one institution to another, etc. There is now a general trend towards credit system all over the world, and many countries have their national policies for credit system. However, in India, there is no tangible progress so far in this direction. For internalization of Indian higher education it is essential to have a uniform credit based system with international compatibility.

- Teaching methods have to be modernized to enable the faculty to minimize the traditional chalk and talk method of instruction, use digital presentation of lecture notes and make contact teaching more effective. Digital repository of course materials of modules may be developed, feedback through student evaluation of courses, employers' opinion, and peer suggestions should be an integral part of the operational system of the institutions.

- A National Policy on (i) restructuring of academic courses (ii) modern teaching-learning methods, and (iii) curricular design may be adopted to prepare the Indian Higher Education system to face the challenges of globalisation.

- To compete with the best in the world, it is necessary to upgrade the academic curriculum, strengthen the physical infrastructure, appoint scholar teachers and to improve the assessment of students.

The basic objective of globalisation is to enhance productivity and to make educational system an instrument for preparing students who can compete in the world market as productive members of society. An important component of globalisation in relation to education is the need of producing manpower of high quality who can successfully face competition in the world market.

If India can establish innovation infrastructure, in partnership with industry and create an enabling environment, in which all stake holders

including the students and public at large participate, India can hope to become a developed nation.

It is high time that India derives lessons from global winds of change and provides competitive education to youths. Future of India depends on what we teach today, in technological innovation.

INTELLECTUAL PROPERTY RIGHTS: SOME ISSUES FOR HIGHER EDUCATION

Indian universities look set to form a new association to promote best practice in the field of research exploitation and intellectual property rights. Leading universities had already begun to expand their activity in the fields of patenting an other intellectual property management. The Department of Science and Technology, for example, is now assisting with the protection of almost 20 times more patents that in 1995. Likewise, the National Research Development Corporation (NRDC) now actively manages a portfolio of over 60 new developments generated in higher education, although universities form only a small proportion of its activity

There was recognition, however, that this activity was building on a relatively small base, and that universities need to be more strategic in their approach. Examples of what could be achieve came from two Indian Institutes of Technology. At the IIT Bombay, a new 44-page institutional policy report for intellectual property management has been written, and is currently under consideration by the Senate. At IIT Delhi, a free-standing, self-funding unit has been established which assists staff in bringing new ideas to the market place. An example of this assistance is the provision of 'incubator' units on campus, through which enterprises created by staff and students enjoy subsidised facilities in the early part of their development

It was recognised that a strategic approach involves much wider issues than helping with exploitation and commercialization. Critically, it needs to embrace awareness issues. Few universities include intellectual property issues in the formal curriculum, even for science based students, although new courses at IIT Bombay and JNU are starting to address this problem. Also necessary is a clear approach to ownership and incentives. University staff have to be clear about their rights and obligations in the field, and a balance has to be struck

between their needs and those of the institution and external sponsors. Often, these need to be recognised at the start of collaborations, rather than at the time when a clear product has emerged. For strategy to be effective, it is also necessary for staff to be aware of the relationship between patenting and publication.

Often, the potential for conflict is over-estimated – and can be eliminated simply by taking sensible precautions prior to making results public. One was the use of 'non-disclosure' agreements to cover discussions between staff and external parties – including, potentially, external examiners of doctoral theses. It was noted that, although precise circumstances vary between projects, the key elements in such agreements are quite uniform, and that it should be possible to devise a 'standard format' that could be made widely available.

Another issue was the rights of students with regard to intellectual property. Dr. Philip Graham, of the UK Association for University Research and Industry Links, reported that several UK institutions have asserted rights to own such ideas, in return for revenue-sharing agreements, and that such arrangements had generally been popular. Students and visiting fells could prove especially problematic, since they were not normallv covered by standard employment contracts.

On a more positive note, institutions were encouraged to use patents more effectively in their general research activity. Although the granting of patents is no indicator of merit, or even usability, searches of material should be a pre-requisite for any new line of research. There are over 45 million patents worldwide, and an estimated 80% of the information contained has not been published elsewhere. In this context, patent literacy is an essential tool for the academic.

Exploitation of intellectual property on a global scale, properly managed, requires commitment and can be expensive. However, help is available from several sources. Representatives from the Department of Science and Technology stressed that it could assist with patent filing and maintenance in certain cases. The NRDC, whose Managing Director took part in the seminar, also takes on projects on a shared cost and shared revenue basis. NRDC has produced materials designed to promote awareness of intellectual property

issues, whilst both the Department of Science and Technology and the NRDC have staged promotional seminars in universities to disseminate important information. Where finance is a major constraint, institutions can adopt a 'risk averse' policy of attracting patents at an early stage of the process.

Taken together, these issues add up to the need to create what many delegates termed an intellectual property culture within the institution, which combines support from the very highest level, awareness amongst the general body of staff and students and the practical structures to ensure effective implementation. In view of these requirements, it was encouraging that the 28 participants in the event included no less than five Vice-Chancellors.

The new national organisation, proposed in the final session, would be a means of promoting both this culture generally, and specific examples of good practice in particular. In addition, it would provide a means for universities to represent their needs in the area to government, and for India to be represented in international discussions. Professor Ashok Parthasarathi of JNU, has agreed to coordinate the initiative in its early stages by contacting institutions in the first instance. It is anticipated that membership will be on a subscription basis, whilst at least three universities have already volunteered to host follow-up events.

Finally, although the focus of the event was on specific measures that universities could adopt in the area, several speakers also placed the issues in the context of national policy more generally. In an age where globalisation is making itself felt in the specific area of intellectual property, it is essential that India is both represented and well informed in international debates. The current discussions over patenting of software was one example, and a fascinating debate took place over whether Indian interests were best expressed as a current net importer of software, or as a growing producer and exporter. In these areas, as well as the exploitation of specific technologies, a well organised group of universities can expect to have significant impact.

The Impact of the WTO'S General Agreement on Trade in Services (GATS) upon the higher education sector has recently attracted a great deal of debate. TRIPS is a mandatory, minimum standards agreement which builds upon two previous international agreements: the Paris and Berne Conventions,

administered by the World Intellectual Property Organisation (WIPO). It includes protection for a wide range of intellectual property (IP) including copyright, patents, industrial designs, trademarks, geographical indicators and undisclosed information. It builds upon the protection offered under these previous Conventions, while simultaneously introducing new obligations for all WTO member countries. For example, under the agreement, IP protection has been extended to cover computer programs and databases. Prominence is given to the enforcement of these mandatory standards, with members required to ensure compliance via appropriate enforcement and sanction mechanisms.

Previously, countries could choose their own system of IP protection, with many people living in countries that did not enforce such rights. However, by 2006, even the least developed counties are required to have minimum protection in place.

The global strengthening of IP protection will undoubtedly have an impact on higher education and research. One central justification for the TRIPS agreement is that stronger IP protection encourages innovation, technology transfer and creativity in society by ensuring creators are appropriately remunerated for their intellectual endeavours. However, opponents feel that a strengthening of intellectual property rights stifles research and innovation by restricting the availability of knowledge. This occurs when research becomes too expensive to undertake due to the number of patents in place in a researcher's chosen field (purposefully a strategy deliberately used by some to prevent other researchers working in the same area). Further, it is held that the duration of IP protection is too long, so that when information is finally released into the public domain it is obsolete.

This agreement will affect all research-based institutions, yet it is obvious that those in less developed countries are going to be harder hit. It remains to be seen how developing countries can increase participation in the knowledge economy when their institutions cannot afford to access the basic research 'tools'. However, advocates of the TRIPS agreement argue the reverse. They contend instead that stronger IP protection both increases the pool of knowledge available via searchable patent databases and generates income for institutions via royalty payments, thus supporting further education and research.

The strengthening of copyright via TRIPS is also a crucial issue for every level of education. Currently, a limited amount of unauthorised copying is permissible for education and research, or fair use; yet there are concerns that access may already be impaired with the current exceptions allowed being too restrictive. This is a particularly pertinent issue in least developed countries where book prices are prohibitively expensive due to a heavy reliance upon imported materials. There are also concerns that the use of encryption technologies by publishers of digital information may remove the possibility of fair use of electronic material by implementing a pay-per-view system. It seems there is a question of striking the right balance, as copyright does help to secure financial rewards for institutions through their own distribution and copying rights. What is of concern is the optimal level for institutions to benefit without students suffering from the inability to access resources.

The worldwide harmonization of IP protection is now firmly in place with the TRIPS agreement and there is general consensus that many of the WTO members are keen to see these rights even further strengthened and broadened. Just how such expansion of these minimum standards might further affect higher education is an issue worthy of consideration by the whole sector.

REVIEW QUESTIONS:

1. Discuss the role of education management in quality assurance.
2. What is benchmarking? Explain the process and benefits.
3. Write a note on learner relationship marketing.
4. Explain how quality can be ensured in teaching?
5. Explain the role of GATS with special reference to trade in educational services.
6. What are the different methods of offering educational services in the context of globalisation?
7. What are the benefits and apprehensions of GATS?
8. What are the major issues in Intellectual Property Rights for higher education?

MODEL QUESTION PAPER

Paper 2.4: MARKETING OF EDUCATION SERVICES

Time: 3 Hours Max. Marks: 100

SECTION - A (5 x 8 = 40)

Answer any **Five** questions

All questions carry equal marks

1. What are the characteristics of services and what are its marketing implications?
2. What are the psychological factors that influence learner behaviour?
3. What is branding? Explain the significance of branding in education services.
4. Examine the application of pricing objectives while fixing the fees by educational organisations.
5. Write a note on 'online education'
6. What do you understand by internal marketing in the educational context?
7. Discuss the role of education management in quality assurance.
8. What is benchmarking? Explain its process and benefits.

SECTION - B (4 x 15 = 60)

Answer any **Four** questions

9. Explain the various steps involved in the learner decision-making process.
10. Discuss the various steps involved in new service product development process.
11. What is Product Life Cycle concept? What are the stages of PLC concept? Explain their applications in marketing of education services.
12. Discuss the various issues under place mix in education. Who are the intermediaries in service delivery?
13. "The education institutions are moving towards outsourcing support services" – Explain.
14. Explain GATS with special reference to trade in educational services.
15. What are the major issues in Intellectual Property Rights for higher education?

BOOKS REFERRED

1. Ralph S Alexander, et-al, "Industrial Marketing".
2. Francis Cherunilam, "Business Marketing".
3. Valarie A Zeithmal and Mary Jo Bitner, "Services Marketing".
4. Helen Woodruffe, "Services Marketing".
5. Philip Kotler, "Marketing Management: Analysis, Planning and Control" ed5.

Journals

6. University News, AIU Publication.
7. The Bulletin.
8. The School.
9. NAAC News Letter.
10. UGC News Letter.

Educate ⇨ Empower ⇨ Elevate

Alagappa University formed in 1985 has emerged from the galaxy of institutions initially founded by the munificent and multifaceted personality, Dr.R.M. Alagappa Chettiar in his home town at Karaikudi. Groomed to prominence as yet another academic constellation in Tamil Nadu, it is located in a sprawling and ideally suited expanse of about 420 acres in Karaikudi.

Alagappa University was established in 1985 under an Act of the State Legislature. The University is recognised under Sec.2(f) and Sec.12(B) of the University Grants Commission. It is a member of the Association of Commonwealth Universities and the Association of Indian Universities. The University is Accredited with 'A+' Grade by NAAC.

The Directorate of Distance Education offers various innovative, job oriented and socially relevant academic programmes in the field of Arts, Science, IT, Education and Management at the graduate and post graduate levels. It has an excellent network of learning Centres for providing effective service to the student community.

ALAGAPPA UNIVERSITY

(Accredited with 'A+' Grade by NAAC)

Karaikudi - 630 003.

DIRECTORATE OF DISTANCE EDUCATION